

COMMISSION ON METROPOLITAN DEVELOPMENT ROYAL

> EDMONTON OF CALGARY AND

COMMISSION MEMBERS

Dr. G. Fred McNally, Chairman.

Mr. G.M. Blackstock, Q.C. Mr. I. C.Robison.

Mr. C. P. Hayes, Mr. P. G. Davies, Q. C.

Dr. H. B. Hayo (Consultant)

Mr. Mm. McGruther, Secretary

PROCEEDINGS

held before Royal Commission, at the Court House, in the City of Calgary, in the Province of Alberta.

SESSION - 26th January, 1955

VOLUME 15

The second of th The second secon

I N D E X

	Page
VOLUME 15	
26th JANUARY, 1955	
Submission - Calgary Real Estate Board	1901
WITNESSES	
Gardiner, D. N. Examination by The Chairman Examination by Commissioner Davies, Examination by Commissioner Hayes,	1887 1890 1890
Pryce, S. V.	
Examination by the Chairman, Examination by Commission r Hayes,	1896 1897
Lyle, K. I. Examination by The Chairman Cross-Examination by Mr. Bredin, Cross-Examination by Mr. Brown, Cross-Examination by Mr. Brownlee, Cross-Examination by Mr. Mackintosh, Examination by Commissioner Robison, Examination by Commissioner Davies, Examination by Commissioner Hayes, Examination by Dr. Mayo, Examination by Commissioner Davies,	1900 1912 1913 1918 1922 1925 1939 1946 1950
Wright, H. P.	
Examination by the Chairman, Cross-Examination by Mr. Bredin, Examination by Mr. Mackintosh, Examination by Commissioner Hayes, Examination by Commissioner Robison, Examination by Commissioner Blackstock Examination by Commissioner Davies, Examination by Dr. Mayo,	1960 1987 1988 1990 2005 2010 2014 2019

to the man programme to

I N D E X - Continued

		Page
Prvce, S. V. (Recalled)		
Examination by Commissioner	Davies,	2027

EXHIBITS

Exhibit Number 60-C Submission Calgary Rural Municipal District No. 63,	
Exhibit Number 61-C Brief by Calgary Real Estate Board,	
Exhibit Number 62-C Brief Calgary Hospitals Board by Dr. Wright,	

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VOLUME 15

9:45 A.M. SESSION

26 January, 1955

Now, Mr. Gardiner, my recollection THE CHAIRMAN: is that you said that you could be through in a short time, unless you got caught in a long cross-examination. Yes, sir. MR. GARDINER:

DAVID NEILSON GARDINER, recalled, already sworn, testified as follows:

Subsequent to the last sitting of the Commission, Mr. Chairman, you asked that we supply you with Financial Statements and you asked that these go back five years. We, unfortunately, were not organized until 1951 insofar as being a municipal hospital district. We were only in formative stages and were as a temporary Board up until that date, so that we filed with the Commission the Financial Statements as of December 31st, 1951, which covered the period from organization, May 30th, 1946, to June 30th, 1951, together with the period July 1st to December 31st, 1951. Yes. THE CHAIRMAN:

And then we filed also the Statement as at December A 31st, 1952, and as at December 31st, 1953. That will be marked, the THE CHAIRMAN: Submission, Exhibit 600.

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SUBMISSION CALGARY RURAL MUNICIPAL HOSPITAL DISTRICT NO. 63 MARKED EXHIBIT NO. 60C.

THE CHAIRMAN: The Financial Statement you referred to is marked Exhibit B, is that right?

- A No, at the back of the Financial Statements there is a statement as at December 31st, 1952, and then one as at December 31st, 1953.
- Q Oh, yes.
- A They are both in the same general form. Other than that we haven't anything more to add to our brief unless there is something that we might inform the Commission on as to the general financial position of the Hospital District, and I rather think that you are not very much concerned with that. So that with that I would like to conclude my remarks, sir.
- Well, just be seated a minute, if you please, Mr. Gardiner.

 There may be some questions as to these. There are no special points in this report for the year 1953 to which you wish to call our attention?
- A No, sir.
- What is the state of the Exchequer in this Municipal
 Hospital District 63? I am very interested these days in
 finding out how much money you have got, or how much you
 haven't got?
- A It is rather embarrassing to have to admit, Mr. Chairman, that we have a lot of money.

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- Q Yes
- At the end of 1953, and I do hope that the Calgary General Hospital and the Holy Cross won't hear this, but we have in the surplus account some \$42,000.00, and a reserve account of \$45,000.00.
- Q But since you have never built a hospital at all you don't run into much expense, I don't suppose?
- As I told you, when we were here in October, we were very happy with the relationship that existed.
- Q Quite.
- A And the service that we were able to get.
- Q Quite.
- A At a very minimum cost.
- Q Quite.
- A So that it has been very satisfactory, and this year has been no exception.
- Q Thank you very much.

THE CHAIRMAN:

Are there any questions, Mr.

Mackintosh?

MR. MACKINTOSH:

No.

THE CHAIRMAN:

Mr. Robison.

COMMISSIONER ROBISON: No.

THE CHAIRMAN:

Mr. Blackstock?

COMMISSIONER BLACKSTOCK:

No.

THE CHAIRMAN:

Mr. Davies?

COMMISSIONER ROBISON:

This should be cross-

referenced with Exhibit 190.

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THE CHAIRMAN:

Yes. Yes, Mr. Davies?

EXAMINATION BY COMMISSIONER DAVIES:

- Q In your arrangement with the hospitals, there is a computation made for some contribution towards capital, isn't there?
- A We have that only for 1954.
- Q That will be from now on, and is that just based on the new expense, new capital expense that is made?
- A It is only starting with the year 1954. It was not previous to that. We did have a bit that we tried to compensate for, for some of the services that we got, but it wasn't a recognition with regard to capital. This last deal is definitely an attempt to recognize some return on the capital investment. I can't tell you what that is, because we haven't got the total for 1954.

 THE CHAIRMAN:

 Mr. Hayes?

EXAMINATION BY COMMISSIONER HAYES:

- Q Who makes up the assessment that you pay on?
- A The Department of Municipal Affairs through the Assessment Commissioner. Do you refer to the assessment of the buildings?
- Q That is right, that you pay depreciation on?
- A Yes, that is made up by the Alberta Assessment Commission or the Director of Assessments, I am not sure which one

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- of those, but it is in that sphere.
- Q That refers to the buildings only? The equipment is already taken care of in the rate?
- A Well, our Agreement only deals with buildings, yes, that are being used.
- Q The depreciation of equipment is in the rate, and the depreciation of the buildings is the extra grant that you pay?
- A I believe the Minister has said that, yes.
- Q You say the Minister had said that; isn't that the way that you were paid on?
- We don't understand it that way from the hospitals. We don't understand that there was any depreciation whatsoever included in the rate as determined for the basic rate in each of the classes of hospitals. The depreciation was an exterior subject that was not dealt with. That is why I say that the Minister says so.
 - I understood when they set up the rates that they definitely took in depreciation on equipment, and nothing was said about depreciation on buildings?
 - A Well, I understood that they didn't take it in, so that I have no really firm foundation to make that statement, other than my understanding.
 - Q Yes.
 - A I couldn't be sure.

 THE CHAIRMAN:

Is there any other question

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of this witness?

MR. MACKINTOSH: Mr. Chairman, I attended a Meeting of the District Hospital Board, together with the authorities from the hospitals, some considerable time ago. That meeting was largely taken up with the question of depreciation. I have been very much concerned during the past year with regard to the Calgary District, and Bowness in particular, as to whether it would add very greatly to the per patient day. I was afraid, when I thought of buildings and equipment and so on that it might equal almost the amount that we have had to pay per patient day.

- What would you say, Mr. Gardiner, from your experience and observation, whether that depreciation that is demanded, may be as a result of 1954 operations, would it amount to any more than 50ϕ per patient day?
- A In the Class A hospitals, yes, I think it would.
- Q Much more?
- A My guess would be \$1.50. I have to admit that I don't know.
- Q That would be a direct charge on either your district. . .
- That is right.
- Q . . . or the municipality?
- A Yes.
- Q And no portion of that borne by the Government?
- A That is right, yes.

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Thank you. Q.

THE CHAIRMAN:

Thank you, Mr. Gardiner.

COIMISSIONER HAYES: 0

Now, Mr. Gardiner -

THE CHAIRMAN:

I am sorry, Mr. Hayes.

COMMISSIONER HAYES: 0

I am just wondering if you are going to leave it at that, the institution of a rate

between 50¢ and \$1.50. I would like to get it pinned down

a little closer than that?

- Well, I said previously \$1.50 for this reason, because Α we went into 1953 costs on the basis of the total patient days and our relationship to that, and we thought at that time it would have been \$1.50, so that is how we arrived at it. That is why I say now it is \$1.50. It might be more, unfortunately, but it also might be less. In the preparation of our estimate I think that we made allowance for the figure of that amount, or somewhere in that neighborhood. In any event, that is what we did, we just simply put it in our budget on the basis of \$1.50.
 - You did? 0
 - Yes. We thought we had better be on the safe side at that A time. We thought we were being optimistic, but we have talked to the hospital since and maybe it is not enough.
 - Do you have any cases where there is a referral outside Q. of your hospital district?
 - Yes. A
 - Do they not bill you right on the bill as to how much Q.

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- the depreciation cost is?
- A No, they don't. We just pay the Class A, B or C rate that is applicable in the hospital to which the patient is referred.
- Q But there is no extra levy made upon you for this depreciation grant?
- A Not on outside hospitals.
- Q To outside hospitals, I mean?
- A Not to outside hospitals.
- Q They don't?
- A If we refer a case to the University Hospital, of an emergent case, whatever it is, to Edmonton, we pay just the basic standard ward charge in the Class A Hospital, that is all.
- Q Well, what will be your reaction if you are billed for it?
- A Well, I have to admit that you are in a field that we haven't given very much thought to. We would think it would be all right. If we were treated, or if a patient were treated in the hospitals here, we would pay to the hospitals here, and if somebody else is giving us the service, why shouldn't we pay them? We would be quite willing to go along with that. That is why we accepted it very readily, we accepted it as far as we were concerned before the Government came out and said they would enter the picture for referrals outside of the Province.

 Long before they said that we were already paying them.

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 If someone was unfortunate enough to have to be referred to the Montreal Neurological Institute in Montreal, we would pay the same for him, just the same as if he were in the Holy Cross Hospital or the General.

- Q Do you get a grant?
- A No, we get nothing back.
- Q You would now?
- A Yes, we would, so that we would go along with that.

 DR. WRIGHT:

 if I might be permitted to introduce Mr. Pryce, the

 Business Manager of the Holy Cross Hospital and the

 Chairman of the Economics Committee of the Associated

 Hospitals, I believe he might be able to assist Mr. Hayes

 by giving him the formula under which this depreciation is

 worked out.

THE CHAIRMAN: This cannot be regarded in any particular as Mr. Gardiner's evidence. I think perhaps we had better wait until Mr. Gardiner is excused, and then recall him if we need to, after we have heard this statement from Mr. Pryce.

- Q Well, Mr. Gardiner, will you stand down for awhile, and then, in the event of you being needed, return to the stand?
- A All right, sir.

 THE CHAIRMAN: Mr.Pryce will consent to being sworn?

 DR. WRIGHT: I am sure he will.

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SYDNEY VICTOR PRYCE, having

been first duly sworn, examined by the Chairman, testified as follows:

- Now, then, Mr. Pryce, you recall, perhaps, the quastions that were asked of Mr. Gardiner and Dr. Wright's suggestion that you might have the information more in detail. Would you care to make a statement just along the line of Mr. Hayes' question?
- First, in respect to the matter of depreciation, our Α understanding is that the previous rate fixed, that included depreciation on equipment, but no allowance for depreciation on buildings. As a result of negotiations between the Hospital Association and the Province, the Minister of Health agreed to a clause which would cover depreciation on buildings, which could be inserted in the agreements covering hospitalization with the various local areas. It is to be on a voluntary basis. In the Calgary area, the Calgary Rural District has signed that clause with both hospitals, and so has the Town of Bowness. Now, the basis of this depreciation, it is on a replacement valuation of buildings determined by the Department of Municipal Affairs. The rate is $2\frac{1}{2}\%$. The per diem rate of depreciation between the hospitals will vary, because of the capital, the difference in the capital structure. I fully appreciate that Mr. Gardiner hadn't any figures to work on. The valuation of the Calgary General Hospital is established at some \$5,790,000.00,

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and the Holy Cross at \$2,600,000.00 odd. The fact that our days vary, and the fact that they have a higher capitalization, taking that into consideration, I believe theirs will work out at something like 73¢ a day and ours will work out at something like 52¢ a day.

THE CHAIRMAN:

That is good news for you, Mr.

Gardiner.

MR. GARDINER:

Delightful.

THE CHAIRMAN:

Are there any other questions

that anybody would like to ask Mr. Pryce?

EXAMINATION BY COMMISSIONER HAYES:

- Q You say this is voluntary?
- A Yes.
- Q In other words, the municipality is not obligated to pay it unless they so wish?
- A No, it is a voluntary agreement.
- Q Yes?
- A It is a clause that can be inserted in the agreement.
- Q I take it from that that from now on, hospitals will want it in the contract?
- A Perhaps we are going a little further afield, sir. We want it in the rate. We want it included in the basic rate, and then there is no argument with regard to it. We have in this Province many plans and many overlapping plans, and there is a question. In this case the

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Provincial Government takes full credit for carrying on and for caring for certain classes of patients, old age pensioners, and the maternity patients, and they say "We pay full costs." All the literature states that. In this case they are charging the depreciation factor back against the local authority. We feel that a new rate should be established, which will include depreciation, so that everybody is paying it, because we do run into this difficulty, where we are dealing with four areas, and even if the four signed up this clause in their agreement, we still have a number of days, particularly in the urban hospitals, that come from outside of those areas with which we have an agreement. I think hospital bills are sufficiently complicated to individuals now, that to see a charge for depreciation would just further confuse the individual, and he would wonder what in the world we were doing. We think it should be in the day rate, and everyone would be paying the same amount. In other words, the hospitals are, at the present time the hospitals are left in the awkward position that they are not able to fully cover depreciation with regard to the full number of their patients.

- Q It does not seem too encouraging, though, that we are going to get it in the rate?
- A Well, that was one of the recommendations in a brief that was submitted within the last two weeks, sir, to the

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Provincial Cabinet.

- The municipalities, too, do not seem to be too encouraging.

 In the event it is not being included in the rate, it is on a voluntary basis, and from the hospital standpoint this does not seem to be too satisfactory?
- It is not satisfactory from the hospital standpoint. I mean, if you had one district that refused to sign this particular deal, the only option you would have would be to cancel their whole agreement, I mean if you insisted on having that clause in and they wouldn't sign, we would simply cancel their agreement. That is not the policy of the hospital. You are completely getting out of the field of hospital servicing, where you are catering to others, and, you see, we wouldn't cater to certain groups because the local authority wouldn't honour this clause. We don't care to be placed in this position.
- Q It would be better all around if it is was in the rates?
- A Very definitely.
- Q That is all I have.
 THE CHAIRMAN:

Thank you very much, Mr.

Pryce.

Now, that brings us to the end of this submission. We will now proceed with the next item, Number 8, which is a brief submitted by the Calgary Real Estate Board, and the Real Estate Board is represented here this morning by whom?

MR. LYLE: By myself, Mr. Lyle.

THE CHAIRMAN:

Alderman Lyle. Will you come

forward and be sworn and present your brief?

A Yes, sir.

KENNETT IRVINE LYLE, having

been first duly sworn, testified as follows:

Sir, would you mind if Mr.

Johns read the brief, the Secretary of the Board?

Q THE CHAIRMAN: Who is going to answer the questions?

- A I will.
- Q Well, if Mr.Johns is a better reader, we will listen to him?
- A He is much better.
- Q Have you extra copies, Mr. Lyle?
- A Yes, we have.
- There are always visitors who like to follow the presentation by having a copy of the brief in their hands, and most people have been very generous in furnishing extra copies. This brief will be marked Exhibit number 61C.

BRIEF BY THE CALGARY REAL ESTATE BOARD MARKED EXHIBIT NO. 61C.

THE CHAIRMAN:

It is Mr. Johns, is it?

MR. JOHNS:

William Frank Johns, yes sir.

I am the Executive Secretary of the Real Estate Board.

May I sit down, sir?

THE CHAIRMAN:

Yes. Will you go ahead, Mr.

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Johns.

MR. JOHNS:

Yes, sir:

In this brief we shall respectfully submit the advisability of the immediate annexation of a designated Metropolitan Area of Calgary with special reference to the communities of Bowness, Montgomery, Forest Lawn and Albert Park. We shall also outline the financing of the small home and touch lightly upon the municipal tax structure, as well as the problem of higher education to service Metropolitan Calgary.

IMPEDIATE ANNEXATION

Good development does not occur by chance. It must be anticipated and planned. planning is based upon future development, not upon rectifying past errors excepting in cases where it cannot be avoided. To ensure orderly development, we submit that the fringe area which could normally be expected to be developed within the next thirty years should be encompassed by the city limits immediately. Had this been done earlier in larger centres, many years of administrative headaches such as those recently illustrated by Toronto before its metropolitan reorganization took place could have been avoided. So also could heavy expenditures in rectifying mistakes. Town planning cannot operate successfully except within the boundaries of its authority. Some effort to control fringe development has been made by the establishment of Calgary District Planning Commission but we

submit this is not sufficient, for two main reasons. In the first place, it is not compulsory that the adjacent rural municipalities come under its jurisdiction and we presume conversely that any municipality can withdraw at any time after it volunteers to come under the commission. Secondly, the personnel of such a commission would necessarily be incompatible inasmuch as the representatives of the rural municipalities have a rural outlook while other members of the commission have an urban outlook. Proper development for urban purposes should preferably be planned by an all urban-minded personnel.

ZONING FOR INDUSTRIAL DEVELOPMENT

If Calgary is to be not only a place to live but also a place in which to make a living, greater emphasis on industrial development is essential. We submit as further evidence of the need for a unified authority in development of fringe areas that a much greater emphasis will probably be placed on industrial development in the immediate future of this city. It will likely be desirable to set aside new districts, extending outside the present city limits, to accommodate this greatly increased industrial expansion program. As more specific evidence of the highly complex nature of town planning and the desirability of development under a strictly urban town planning commission headed by a professional town planner, we are submitting a few brief

observations necessary to be considered in planning only one phase of community development - the industrial phase.

- l. Good zoning must place industry high in zoning scale. In the past, and even yet, zoning has emphasized residential protection, relegating industrial districts to low, swampy lands really not fit for anything. Industrialists are not fools. They are indeed among the best economic brains of our country. They cannot be expected to recommend to shareholders the investment of huge sums of their money in the development of undesirable lands. They will only invest in the best lands, served by railways and/or highways. Their thinking is far ahead of local thinking industrially. They insist on protection from encroachment by residential districts (directly opposite to common conception of zoning).
 - Factories and warehousing need far more land to accommodate one storey buildings which are in demand today compared to Multi-Storey in the past. Also landscaping, and off-street parking due to present-day employee use of automobiles, has increased this ratio. (Common use of automobiles has also made possible factories more distant from civic transportation).
 - 3. Re-classification of industry needed.

 Landscaping, off-street parking, type-of-building restrictions have made industrial districts more attractive than

most residential districts. Also many industrial areas are less noisy than many residential areas with their incessant traffic noises. Application of dust collectors can make industrial areas less polluted than residential. The use of natural gas has almost eliminated black smoke. Industry should be near or at the top of the zoning scale.

of country homes has created another use for outside land which can encroach on good industrial areas. Also shopping centres, outdoor theatres have congested traffic and altered the picture of suburban property. Industry must have access to good uncongested roads as well as railways. Many industries need protection of surrounding districts to capture subsidiary type of industry which often follows certain types of industry. This is not possible where zoning has yielded to the demands of other types of land use. New districts must be predicated on future industrial needs before development for other uses, and be protected until demands for industrial purposes are present.

BOWNESS, MONTGOMERY, FOREST LAWN AND ALBERT PARK

The annexation of unpopulated fringe areas would appear to be easy to accomplish without major cost to the city but this is not true of populated communities such as the four above-mentioned. We believe the annexation of these areas is inevitable in the foreseeable future and therefore should be under-

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taken immediately, but not at the sole expense of the taxpayers of Calgary. This annexation would entail huge expenditures such as sewer and water installation, street grading, gravelling and lighting and perhaps sidewalks, as well as augmented transportation facilities, police and fire protection, and additional school facilities. The residents of these communities are basically urban in the sense that many or perhaps most of them are employed in Calgary, do their shopping here and frequent places of entertainment, sports events, etc., yet they pay no taxes to Calgary nor do they come under Calgary jurisdiction. Their building codes do not conform with that of the city They do not have living amenities that Calgary residents enjoy but their taxes are perhaps on the same level. To say that their annexation would be no problem would be a most optimistic statement. We suggest that considerable financial assistance should be forthcoming from the Provincial Government if this annexation is to take place without a grave undue financial burden on Calgarians. We submit that other communities will spring up on the fringe areas unless the said areas are annexed before becoming populated; after population these areas will then present the same problems now before us in the case of Bowness, Montgomery, etc. Other suburban areas as we have suggested are peopled in the main by urban minded residents but are governed by rural municipal officials. The major taxpayers

these municipalities are farmers. Such an incompatible situation is bound to cause some friction until annexation takes place, and the urban minded are under urban government.

FINANCING SMALL HOMES

Lack of adequate financing of the building of homes for persons who require a small home and who are on a lower wage scale than the minimum required by the N.H.A. is one of the chief reasons for fringe communities growing so rapidly in recent years. Let us examine a hypothetical case of a couple who has, say, only one thousand cash payment, and a steady income considerably less than that required by the lending institutions through the N.H.A. This couple finds they have very little or no choice but that of purchasing an approximately six hundred square foot cottage outside of the city, without basement, without plumbing or furnace heating. They must go to the fringe area because their land must be low priced and their dwelling below the building code requirements within the city, particularly with regard to the lack of plumbing, in order to meet the necessity of low building costs. They pay five to six thousand dollars for a house which probably cost the builder no more than three thousand. Nor does the builder get the profit. With no mortgage available he has to discount his agreement at a high rate. He receives one thousand dollars from the purchaser and perhaps twenty five hundred

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dollars from the source of financing, usually an individual.

Even at this fabulous discount rate the sale of the agreement is increasingly difficult.

Let us suppose that this builder constructs the same small home inside the city. His increased costs would include plumbing, installation, higher land costs and perhaps a floor furnace -- altogether say \$2000. His next cost would have arisen to \$5000. Unless this is a project house, the builder would expect a twenty percent profit, and reasonably so, if this includes the builder's wages. The net selling price would then be six thousand dollars with one thousand cash and a mortgage of five thousand. But where would he get this mortgage? Certainly not from ordinary sources. And most surely not from the Municipal Government. Would the Provincial Government be interested in entering this restricted mortgage field as a very practical and greatly needed social service? We can suggest no other likely source of financial aid to fill this obvious need. At the same time we recognize that such a step by the Provincial Government would be unprecedented and economically unsound. Five thousand such small homes throughout the province would require a revolving fund of Twenty Five Million Dollars. It would supplement the present building financing without competing with the N.H.A. structure. While direct mortgage loans of Government funds are perhaps new to Alberta, we understand that the Ontario Government advances

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funds directly on second mortgages - a more dangerous procedure. We also recognize that such financing would lower the standard of new homes but it would more than justify itself by almost eliminating fringe area housing without plumbing, and "shack" construction. Small housing is not necessarily a blight, if properly supervised.

A small home can still be dignified and attractive.

PROPOSED AREA FOR ANNEXATION

We believe it is better
to over extend the area to be annexed, within reason, than
to underestimate our requirements for the next thirty years.
While the areas to be annexed on the north, east and west
are debatable in our minds, we feel on much safer grounds
in our recommendations to the south.

The next extensive development of Calgary is almost certain to be southerly because the lie of the land is made to order for quick and comparatively inexpensive drainage installations. The area takes in the valley running southerly, parallel with the C.P.R. Lethbridge line and the number two highway. Not only will this area accommodate many thousands residentially but it also lends itself to great development industrially, served as it is by both railway and trunk highway, We submit that the southern boundary of the city should most certainly be extended about five miles southward to the present northern boundary of the municipal district of Foothills

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ive, Township 23, Range 1, West of the 5th, and extending from east to west from the Bow River to the Sarcee Reserve thusly including the north four miles of township twenty three.

while we are not so confident as to the eastern, northern and western extensions, we submit that a one mile extension on the west of the recently extended city limits, from the Elbow River (or Sarcee Reserve) to the northern proposed boundary of the city, with a jog where necessary to include Bowness is desirable. On the north we suggest an additional mile beyond the recently extended city limits, from a point just west of the C.P.R. Edmonton line to the proposed eastern boundary. Our eastern boundary should most certainly be extended by one mile to include the area adjacent to the new Edmonton Highway, and perhaps two miles. Again a jog is proposed to include Albert Park and all of Forest Lawn.

HIGHER EDUCATION

we have no intention of entering the field of education in regard to Metropolitan Calgary but we think a brief on Metropolitan Calgary from any Calgary organization, corporation or individual would be incomplete without mention being made of the lack of full University facilities in this area. We do not intend to present all the pros and cons of the establishment of a full course University to serve Calgary and vicinity. This

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has been done by other organizations on many occasions. We merely wish to point out the one important fact that has never been refuted. It is this: Calgary students by the hundreds who cannot afford to leave home to attend University are denied the privilege of a University train-This was accepted with good grace when Calgary was too small to support a University and the Province was too poor to build another. Neither of these excuses is now well founded. Nor is it acceptable to say that so little interest is shown in the one year course offered in Calgary that further expansion is unwarranted. Much more interest would no doubt be shown by parents unable to send their children away to University, if they knew from the time of their children's early high school days that it would be possible to continue through University and live at home. In these days of prosperous employment there is little apparent advantage to the Grade XII graduate in taking the first year University course when he knows he cannot continue. Of the parents who can afford to send their children to the University of Alberta, many find they cannot do so because no forethought has been given to expanding the dormitories, especially for girls. Only one hundred and fifty girls can live in residence at our onw Provincial University - the same number that could be accommodated in the year 1912. This, despite the fact that hundreds of thousands of dollars, even in the millions, have

been expended on other University buildings. Is it any wonder that Calgarians faced with sending their children away to University send them to B.C., Manitoba, Toronto, McGill or American Universities? They have no choice unless they are content to have them living out, often in basement rooms. There is no doubt that Metropolitan Calgary and Southern Alberta have received too little consideration in this regard.

MUNICIPAL TAX STRUCTURE

This brief has mainly covered the field of land use and small home financing which we feel is entirely in our realm as realtors. We leave to others to cover the field of municipal taxation excepting for the following comment. We, as agents for property owners, must express our grave concern over the burden on the property owner taxpayer who is expected to absorb most of the ever increasing costs of more and more social services, in addition to the major operating costs of municipal governments. We feel that the time has arrived when the property owner can no longer assume the excess share of this burden without the desire for home ownership dangerously declining. Other sources of revenue must be found to meet the increased costs of social services and education, if we are to avoid such things as the dreaded and undesirable municipal sales tax. Bluntly, the property owner cannot carry any further tax load. We submit that a large percentage

of home ownership is most desirable in any community and every effort should be made to keep the percentage high in Calgary. Its most potent challenge today is high property tax.

This, we respectfully submit.

THE CHAIRMAN:

Now you may change places with

Mr. Lyle, Mr. Johns.

MR.JOHNS:

Yes, sir.

THE CHAIRMAN:

Now, at the outset, I planned

to invite questions from the floor, before the Commission or any members of it ask questions.

MR. BREDIN:

I have one question, Mr.

Chairman?

THE CHAIRMAN:

Yes, Mr. Bredin.

CROSS-EXAMINATION BY MR. BREDIN:

- Q Mr. Lyle, I am not clear with regard to page 2, the sentence with regard to the fact that industries should be nearer the top of the zoning scale. I am not clear just what that means?
- A Well, in the past, sir, industry has been away down the zoning scale. The highest protective field in zoning has been residential property.
- Q And you think industry should have a more exclusive scale?
- A Undoubtedly so, sir. Especially I am thinking in terms of the local situation at the moment, but I believe it is true everywhere, that industry is gaining perhaps a better

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perspective in the zoning scale. I think we are getting away from the old days of thinking of industry as being a blight on the community, the old black smoke stack and that sort of thing. I always think of industry in terms of the Toronto Scarboro District, for instance, that which has grown up in the last eight or ten years, a beautiful section of the City, and perhaps if we all thought in similar terms there wouldn't be any doubt that we would control industry and have it at the very top of the class and the top of our zoning scale rather than the residential.

- I suppose the practical effect of that would be that there would be no light industry or commercial zonings, commercial zone properties permitted in the industrial areas, is that the practical effect? That is, that the industrial zone would be limited exclusively to industry?
- A There, again, when you are talking about industrial zoning, you must include light industry, heavy industry, obnoxious industry and desirable industry. There are so many divisions of the industrial zoning in this. But what I am trying to point out and emphasize, perhaps, is the desirable type of industry, that it should be at the top of the industry scale, particularly in this locality.
- Q Thank you.
- I might say, sir, in the preparation of this brief, there is no, there was no consultation with anyone else of putting the brief in, and whether there is any merit in the brief or not, I wouldn't say, but there is this merit, that it is an entirely independent brief.

CROSS-EXAMINATION BY MR. BROWN:

Q Mr. Lyle, you have made rather, quite a few rather strange

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statements and suggestions in your brief, some of which I might go along with, others that I might take exception to. I want to refer to the set-up in planning particularly first of all. I am quite sure that you are acquainted with the present set-up of planning in the City of Calgary, are you?

- A Right.
- Are you acquainted with the District set-up in its full aspects?
- A Fairly well, yes.
- You realize, of course, that we have the District Planning Commission, which has as its members those units which surround Calgary, and all of those units, in turn, have either zoning committees or interim development control boards, which control development within their own areas. You are aware of those facts?
- A Yes, sir.
- Now, in this brief of yours, you talk of annexing a large area of land generally surrounding the city and including the towns and villages adjacent to the city, and bringing that under the control of an urban planning Commission which would be the Town Planning Commission of the City of Calgary, in other words?
- A That is right.
- Q Is that correct?
- A Yes.
- Q Now, in order to off-set the fringe development, which would

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Movie in this brief of yours, tou talk of amiensing a largo area land wenerally a deal deal and it is a line the towns and willages as

necessarily and probably go on, despite the fact that you set up the Town Planning Commission within the city limits, then what is your proposal to control that?

- A To control the fringe development?
- Q Fringe development?
- You will have to turn to a different section in the brief to get the control of that. On page 3 is the financing of small homes. Undesirable fringe development has unquestionably arisen from the fact that there is no financing of the small home for those people who are not acceptable to the N.H.A. I do not think, if you had the proper financing of small homes, I do not think you would get an undesirable fringe of development.
- Q But that would be going out into a rural community, Mr.

 Lyle. You understand if you took in all of the urban development around the city, along with a great deal of rural lands, and you create laws within that boundary, which you have then created, to control development, that people will, if there is no control outside of that boundary, they will naturally attempt to go out where there is no control and bring about the same condition as has come about in the past. So that we must have some regional control outside of that which will say to those people, "You will do certain things in your development", is that not correct?
- A Well, Mr. Chairman, I am not in any way advocating the

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complete abandonment of the greater area planning Commission, not in any way. All we have attempted to do is to annex the areas which we think within the next 30 years or so will be perhaps almost fully developed, brought under the control of the Calgary Planning Commission, and not in any way to touch the greater area. I would remind Mr. Brown, if it is necessary, and I do not think it is, that the Greater Area Commission extends now, I believe, as far south as Nanton, while we are only touching, in some directions from the city, north, for instance, we are not touching anything but one mile by, say, three miles, two miles on the east, one mile on the south, about four to five miles on the west -I should have said one mile, and it is the same on the east, one mile. We are not going into Nanton or Airdrie or Cochrane. I am proposing no different set-up at all for the actual Greater Area Commission.

- COMMISSIONER BLACKSTOCK: I, myself, Mr. Lyle, didn't think that you did wish to say, when you mentioned that, that membership should be compulsory?
- A That is right.
- Q It naturally follows that you are still advocating or are an advocate of the Regional Planning Commission?
- A Very much, sir. Very much so.
- MR. BROWN:

 Mr. Lyle, that in order to get this set-up actually compact and have everyone acquainted with what is going on, it would be necessary, don't you think, that rural and urban minds

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at some place in the set-up would have to come together in order to be acquainted with each other's actions?

- Well, perhaps, sir, the next few years, that we are trying, in this annexation, to get those things which in the near future or at present plan, under urban Government, to be placed under urban Government. If the city continues to develop in outside areas, you would meet the same situation again as you are suggesting. There would be a creation of fringe areas beyond the present suggested annexation, that is true, but not perhaps in the next 30 years. There would be some development, of course, I mean, general development, and perhaps a large factory might come in outside of the district that we are proposing to annex, and that would certainly come under the jurisdiction of the Greater Area Planning Commission, and there would have to be a meeting of the minds of the urban and rural members.
- Q Then you do admit that there has to be some place.. .
- A Certainly.
- Q ... where the rural mind has to adjust itself to at least partial urban development?
- A Most certainly.
- Q In the same manner, the urban minds have to adapt or adopt a rural viewpoint in some aspects?
- A Quite correct, sir.
- Q Thank you, Mr. Chairman.

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CROSS-EXAMINATION BY MR. BROWNLEE:

- Q Mr.Lyle, do you anticipate or, at least, does your Board anticipate the development of petro-chemical industries in the general area of Calgary?
- A Mr. Chairman, would the word be "anticipate" or "hope"?
- Q Well, I assume you hope for it. I am wondering, though, whether you anticipate that development will take place?
- That is very hard for me to differentiate between "anticipate" and "hope", sir. That is a possibility, but in my belief not a likelihood within the boundaries of the area that we have suggested. I think a plant of that kind certainly would come a considerable distance, perhaps even farther than they have gone out from Edmonton. Within the Calgary area, perhaps. I am not a Chemical Engineer or expert. I wouldn't know the possibilities of such a development in the Calgary area.
- Now, I think we all agree that it is to the advantage of all the people of the Province to try and bring as much major industry here as we can. I would like to have your views as to whether or not the freight rate situation and the distance from principal markets does not put us at quite a serious disadvantage in our search for major industrial development?
- A Most decidely, yes, but there are other things that are to our advantage. We have grown up to think of the west being unpopulated, sparsely populated, and the east has

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all the population, but I would remind you, sir, that the population of Ontario, which has the major industries, is somewhere around the 5 million mark, and the population of Alberta is over one million. Now, it might be startling just to stop and think for the moment with regard to the two population ratios, that the population ratio is one to 5 and the industrial ratio I would wildly guess would be about one to 25 or 1 to 50, perhaps, but nowhere near the one to 5. I would certainly say that there is no reason why, if we went after it, we couldn't get a just ratio of industry in this Province. There are many angles to that.

We could keep on talking just on this subject for a week.

- The basic point I am trying to get at is if these major industries, such as the petro-chemical industries, having regard to that, it is recognized as a fact that the market for them, especially in Alberta, is almost entirely some distance from Alberta, largely in Eastern Canada and in foreugn countries?
- A True, in direct proportion to the population.
- Q Now, I just have two more questions I might ask you.
- A You mentioned about the freight rate, was that in connection with the petro-chemical establishments?
- Q Well, yes, any industry that has a foreign market or an eastern market has to consider the disadvantage of location here arising out of freight rates, is that not so?
- A Oh, yes, certainly it is true.
- Q Now, another feature which would appear to me to be, say,

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possibly a further disadvantage, and I would like your views on this, is the discovery of oil and gas in Saskatchewan and Manitoba. The suggestion has been made previously before this Commission, that to the extent that we are at a disadvantage in enticing industry to Alberta, that disadvantage has increased by reason of the discovery of oil and gas in Saskatchewan and Manitoba. I wonder if you have considered that at all, sir?

- Well, that is very likely true. I would just make this comment, though, that we certainly have a negative attitude as far as industry is concerned in Calgary and, I think, the Province of Alberta. You, yourself, are pointing out to me the difficulties of getting industry here. Very seldom do we ever hear anyone talk about the reasons why industry should come here. We certainly have that negative attitude.
- Well, Mr. Lyle, I did not intend to convey any attitude of my own, or of any person I represent. I am simply asking you about the disadvantages which exist. Now, my final question to you is this: In your opinion is it likely to be necessary to consider making any form of tax concessions to major industrial plants that might locate here, either by amendment to our assessment legislation, or by such things as fixed assessments for, say, a period of 20 years?
- A Well, I am not an expert on that subject. I can only give

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you my personal views on it. Unless there is some reason why the taxes should be higher in a particular location than they would be otherwise, I see no reason why there should be any tax concessions in order to entice industry. Taxes are not usually, as I say, unless there is some specific reason, taxes are not usually a predominating factor in industry, that is, that are established in any districts. It is only the converse of that, where taxes are exceptionally high, where industry might skip a district. It is a dangerous ground to enter into. Supposing you had Calgary and Edmonton competing for industry, and making concessions, it would then become definitely a rat race. It is a very dangerous ground to enter onto. I don't see why it should be entered into, as long as your tax structure is on a comparative basis throughout the Dominion or throughout the West where industry is expected to go to. I would be very hesitant about making a drastic tax concession.

All right, sir. One final question. If you feel that you are not sufficiently informed to give me an answer, why we will just let the matter drop. As between the two methods of tax concession, that is, fixed assessment agreements for a period of years or a general amendment of our assessment legislation in the Province, would you express any preference between them?

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Q All right, sir, thanks.

MR. BROWNLEE:

Thanks, Mr. Chairman.

MR. GARDINER:

Might I ask a question?

THE CHAIRMAN:

Yes.

Q MR. GARDINER:

I would like to know, Mr.

Lyle, if you can tell us, was it the thought of your organization that the industrial development contemplated or referred to in your brief would take place within the annexed area which is not presently within the City of Calgary, or would it take place in the area outside of even all of the annexed area as proposed?

I think the answer to that, Mr. Chairman, is both, within the present city limits, within the annexed area proposed and perhaps outside of it as well. The overall picture would certainly include plans outside even the area that we have asked to be annexed.

THE CHAIRMAN:

Mr. Mackintosh?

MR. MACKINTOSH:

I have one or two questions.

CROSS-EXAMINATION BY MR. MACKINTOSH:

Mr. Lyle, on pages 2 and 3 of your brief you state that

"The residents of these communities are basically
urban in the sense that many or perhaps most of them
are employed in Calgary, do their shopping here,
and frequent places of entertainment,"

and so on. And you go on to say that they pay no taxes

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- in Calgary. Do you think that is a fair statement, Mr. Lyle?
- A Well, no direct land tax perhaps would be better.
- Now, in the event of annexation taking place, is it your opinion that there should be a special area for at least a number of years being made of the communities mentioned, Bowness, Montgomery, Forest Lawn and so on? What I am trying to get at is this, that it will be or may be a considerable number of years before it is possible to introduce even roads, sidewalks, gutters, water, sewage and so on into those communities, and, I take it, that you do not advocate that when, say, in the process of getting those things, that these communities should be called upon to, say, pay the same taxation as the ratepayers in the City of Calgary?
- Well, that is a very broad question. That entails the whole subject of the annexation of these populated areas and I, myself, am not in a position to answer that fully. There are so many problems there that I do not know of any one or any group of people who can answer that directly and quickly.
- Q Does it not stand to reason that if people who cannot enjoy the amenities of life, because of the lack of these improvements, that they ought not to be taxed so much as those who do?
- I think possibly if you do pick out, and I expected someone to come up with this, I can't find it at the moment, but

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Vell, is a Great question. That entails the whole spitest of the announties of the whole populated areas and myself, in not it a position to answer that:

somewhere in here I have said that while they do not enjoy the amenities of Calgarians, there is very little difference in taxation. That is, I think, perhaps what you are getting at, is it not?

- Q That is the point, that even under our present conditions of living our taxation is so high, particularly because of the social services, such as education and so on, that it would place an undue burden on the average taxpayer, remembering that Bowness and Forest Lawn are settled by those who have a very low income power of earning?
- A That is right.
- Q And because of that our taxes might be absurd in the event of having been taken over immediately for taxation, or other things, such as outstanding debentures and so on belonging to the City of Calgary?
- All we have said in here, Mr.Mayor, is that these things have to be paid by someone, and we are asking if these areas are annexed to Calgary that it be not the Calgary taxpayer. Now, I don't know of anyone who wants to pay them. I think your point is that the residents of these areas simply could not afford to pay them. I can go farther than that, as far as taxation is concerned, I feel quite definitely that there are a lot of people in the City of Calgary who cannot afford to pay the taxes today either. Your question is to the point, but I am afraid I cannot answer it. I know that the problem is there. I

recognize the problem very acutely, but what the answer is, sir, I don't know.

Q Thank you.

THE CHAIRMAN: Are there any other questions from the floor? If not, then the Commission will take a ten minute recess at this time and return at five minutes after 11. And if you will be here then, Mr. Lyle, the members of the Commission will wish to ask you some questions.

(Hearing resumed after short adjournment).

THE CHAIRMAN:

Now, then, Mr. Lyle, I will begin at the extreme right and see what questions Mr. Robison has. Have you any questions, Mr. Robison?

MR. ROBISON:

Yes, I have got a few.

EXAMINATION BY COMMISSIONER ROBISON:

- Q Mr. Lyle, in talking about the membership in the District
 Planning Commission, your intimation is that it should be
 mandatory. That is one of the things that has come up before
 the Commission, both here and in Edmonton. Your conclusion
 is that the membership should be mandatory, and that the
 municipalities should join the District Planning Commission?
- Well, the purpose of the Planning Commission in the first place is good planning, and you simply cannot get it if it is not mandatory. If one municipality adjacent to a city refuses to come into the Commission, for instance, there

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is no planning except their local planning. There is no over-all planning in that direction.

- Q You are quite clear that it should be mandatory?
- A Absolutely.
- Q Yes, all right. Now, on Page 2, and speaking of this zoning problem, you said under Number 1.

" Good zoning must place industry high in zoning scale."

I ask you the question, is the zoning situation so far as industry is concerned in the City of Calgary on a generally satisfactory basis?

- Not yet. I think that there has been progress made in the direction. The attitude towards zoning for industry is, perhaps, a little nebulous. It is much better now than it was, say, ten or 15 years ago, and it is getting better, but in the past in industry, industry, incidentally, was all lumped off as being undesirable, and it was more the attitude of quarantine placed on it rather than give it a proper place in good planning. I think that is quite true. A few years ago, particularly it was more of an attitude of quarantine rather than planning.
- Q What has the city done, I am thinking of planning and zoning and things like that, with regard to these enlarged or prospectively enlarged boundaries, what has the city done, if anything, in that regard? Have they set up any Commission or organization?

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- A I am not sure I understand your question.
- Q Well, have they set up any committee, for example, of the City Council an Industrial Committee or anything of that kind, or an Industrial Committee of the City Council, or anything of that kind, that is, concerning this, if it is so, major problem?
- A That is just being organized now, sir. There is an Industrial Committee in the making which, we presume, will work closely with the Zoning Committee in establishing a proper location and zoning for industry.
- Q Are you familiar with the Act respecting Industrial Development, the Provincial Act?
- A No.
- Q You do not know that Act?
- A No.
- Q Would you make it a point to look the Act up?
- A I would be very glad to.
- Q It is Chapter 39, 1952. It is a Provincial Act.
- A It is a Provincial Act?
- Yes. Now, on Page 3, near the top of the page, you say,

 "We suggest that considerable financial assistance
 should be forthcoming from the Provincial Government
 if this annexation is to take place without a grave
 undue financial burden on Calgarians."

Are you suggesting there that this should be in the form of a special grant having regard to a special over-all

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- A I don't know what other form it could be in, sir.
- Q In other words, the Provincial Government should recognize that there is a special situation, say, in these two cities within our terms of reference?
- A Yes.
- Q And making a special grant to ameliorate or help to solve the problem?
- A I don't know of any other situation.
- Q The point that I am trying to get at is the special grant.
 All right. On page 3 are you familiar with this matter of graded assessments where agricultural areas, say, on the south side in the proposed area in the suggested plan include agricultural areas? Are you familiar with this proposition of graded assessments?
- A I merely know that there is some basis of consideration of that.
- Q You aren't specifically familiar with any?
- A No.
- All right. I won't go into it then. Mr. Brownlee raised the question of fixed assessments. I want to go one step further in that regard. You are no doubt aware that the Province on a provincewide basis assesses pipelines and electric lines and things of that kind. The proposition has been advanced to this Commission that major industries, which would have to be defined, should

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also be assessed by the Province on a provincewide basis, and grants possibly be divided to the interested areas.

What do you think of that?

- A I have no quarrel with that, providing it is on a Provincial basis. The thing that I pointed out before, or that was irking me somewhat to think that there would be, I think I used the expression of a "rat race" between various localities, as to who could cut assessments most in order to entice industry. I don't think you can do that under the assessment Act any way, can you?
- Q Well, are you familiar with an Act passed by the Provincial Government that empowers it to make fixed assessments with certain restrictions?
- A No.
- Q Will you look that up?
- A I think that would be a very good idea if that were done by the Provincial Government where all portions of the Province would be the same, and after a study of the matter with regard to industry establishments, to fix a taxation rate of assessment on those industries. I wouldn't favour it the other way, that different localities or municipalities do it on their own. As a matter of fact, as I say, I don't think it is according to law, that you can do it under the Assessment Act.
- Q COMMISSIONER FLACKSTOCK: Except the opinion of the individual asse sor may defeat the purpose of the Act?

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- A That is true, sir.
- Q COMMISSIONER ROBISON: I am personally grateful to the Board and yourself, Mr. Lyle, for having brought up in a specific way this matter of the small homes and your recommendations with regard to this. I think that that is a problem. Has your Board considered in any way the possibility of subsidized housing?
- A Well, subsidized housing has been before, I think, every Real Estate Board across the whole of Canada for years.
- Q And have you made any pronouncement on it that would be of any interest to this Commission?
- A Of course, sir, when you mention subsidized housing,
 before expressing an opinion on it myself I would like to
 know what the subsidization is, to whom it goes to, and for
 what purpose. There are so many angles to subsidized
 housing that I don't think a blanket statement would be
 adequate at all.
- Q Well, let us say that the subsidy would be initiated by the Province and the City of Calgary and relate itself to the needy people that you point out on Page 3?
- A Well, I think, sir, that you can call that subsized housing all right, but certainly from a different angle from what the usual interpretation of subsidy is in regard to houses. This is a subsidy to encourage home ownership to those people who are not acceptable under the N. H. A.
- Q That is correct.

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- A And I think it is a very important point. If I may say so, sir, I think our brief, if it is of value to this Commission, the most value is in that particular phase of it.
- I think I would agree with that. I wonder if you would clarify this matter on the proposed profit of 20%, including wages. The normal profit, I am informed, is 10%, and you would be allotting 10% for wages, is that correct?
- A Well, if you can get any specific costs from builders, you have got me beaten. I have never been able to get them.

 As far as profit is concerned, you can't arrive at a profit unless and until you get a cost basis, and that is certainly a nebulous amount.

COMMISSIONER DAVIES: Mr. Robison, would you mind me interrupting you for a minute, arising out of just what this witness has said?

COMMISSIONER ROBISON: No.

- Q COMMISSIONER DAVIES: You are an Alderman?
- A I had hoped that you would forget that.
- I want to ask you something arising out of what you said.

 When the City is going to erect a building, and if you are erecting certain buildings, for the School Board, for instance, am I right in saying that those buildings are on a cost plus basis today, and that you are not getting a firm bid or bids on a fixed price, is that right, from what you are saying now?

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- A No, I wouldn't say that.
- Are most of your buildings being erected on a definite, a fixed, established price, on which the contractor is bound to build them, or is it on a cost plus basis?
- I don't know. I would be surprised to think that it wasn't on a definite price basis, though. As a matter of fact, if I find it is not, I would be definitely opposed to it.
- Q What did you mean then when you said it is almost impossible to get a firm price?
- Oh, that is general cost of the building. For instance, Α on a square footage basis in the building of a home, you can talk to various contractors and they will say that a house of, we will take the size range between \$50 and 1050 square feet, you can get costs all the way from \$8.50 a foot to \$11.00 depending on the builder, how much he is disclosing, and how much he is putting into the house, and depending, I think, a great deal on what he is not disclosing. The best gauge of costs that I have run into is one that was operated in Winnipeg up until recent years. I don't know whether they are still doing it. I think it was the Appraisal Institute, or someone working with them. They built the same house each year over a period of years, and they put their cost index there, and they can tell you pretty closely what the index is. Of course, you can get those figures from the Government too. But to try and work it out on an investigation of your own with the

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individual builders, that is a very difficult thing to do. But, with regard to your question about the city, I would think that the City would certainly let a contract by tender, and it would be a fixed price. I am not sure of that. I was rather surprised by your question. I didn't think there would be a cost plus basis at any time.

- Q COMMISSIONER ROBISON: Are you familiar with the Housing Act passed by the Provincial Government about 1945?
- I have a copy of that Act here. I am not too familiar with it. I read this over in conjunction with this page 3, the financing of small homes. I thought that the Act, by some changes, could certainly apply to a proposition such as we are proposing. This Act, I understand, was basically passed as subsidized rental, but in reading it over I think basically it could very easily be used as having regard to subsidized small homes. As a matter of fact, there are many figures in there that almost completely cover it. Section 17, for instance, which says,
 - " The Association shall not
 - (a) make any one loan in excess of the sum of \$5,000.00;
 - (b) make any loan at a rate of interest in excess of four and one-half per centum per annum;
 - (c) make any loan to assist in the erection of a house estimated to cost more than seven

thousand five hundred dollars."

You would almost think that in drawing this Act up it was being drawn up to apply to such a situation as we are discussing in this, or suggesting in this Clause.

- You, inferentially, are saying, I take it, that there is an area there can usefully be explored on the part of the Provincial Government in enabling the people that you speak of to acquire a modest home?
- A Very definitely so, sir.
- Q All right.
- I would go farther than that and say if we had had such legislation of lending funds available that there would be no problem to annexation of Montgomery and the other outlying districts. There would be no problem because you would have a district there that we would all be proud of, and we haven't got it simply because the financing has not been available.
- I refer you to page 4 under the heading "Proposed Area for Annexation", the last sentence in the second paragraph.

 I believe it is correct to say that the southern limits of the proposed city plan is to go southward to Sheep Creek because of the drainage that you speak of?
- A I am not proposing in here that we go as far as Sheep Creek.
- Q Well, that is the question or point I wanted to raise with you. Are you aware, or, I believe it is correct, that

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the city's proposal is to go as far south as Sheep Creek because of the drainage.

MR. GARDINER:

May I interrupt for a

moment. You are talking of Sheep Creek, which is at Okotoks.

I am wondering if you are thinking of Fish Creek.

COMMISSIONER ROBISON:

Yes, thank you. I am speaking

of Fish Creek.

- I am speaking of Fish Creek, Mr. Lyle. I am sorry. It is generally down to Fish Creek because of drainage reasons. Would that meet with what you have submitted here, in that sentence there?
- A Well, I think the city has intended I was rather amazed, as a matter of fact, when I saw what the City had proposed inasmuch as the annexation line was almost exactly the same as we had arrived at in this brief. But since their first proposal, or perhaps it was their first brief, shall I say, they have suggested it be extended another two miles to include the Fish Creek area for drainage purposes. Now, I would judge that that would be as result of advice from their engineers.
- Q Well, would you agree with that on principle, that that is a sound suggestion?
- A Well, I would agree with it, if it is definitely the advice of engineers, but not from a standpoint of immediate development. I think the two miles north, at the north boundary of the Municipal District of Foothills

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 would be more within the realm of the question of immediate development, but if there is some technical reason why they should go beyond that, I would go with that.

- I have just two more questions. Are you familiar with, under the heading, "Municipal Tax Structure", are you familiar with the quantum of exemptions in the City of Calgary?
- A Somewhat.
- I am wondering if you would agree that apart entirely from the exemptions granted on Crown property that it might be advisable for the city to re-examine the other exemptions?
- A Well, most of the other exemptions are church properties, are they not?
- Q Well, I am informed a lot of them are?
- A I think the greater portion of them are. That came up through council. Perhaps Mr. Bredin could give us more information on that.
- Q Would you agree that it would be advisable for the City to receive in lieu, by way of a grant in lieu of taxation from the Federal and the Provincial Governments these grants on property that they own and use here for commercial purposes?
- A It depends a lot on whose opinion the grants were based on. I could never get away from the feeling that there is no reason why Crown property should be exempt from municipal taxation.

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- Q Except when the law says that it is.
- A Well, naturally, but why should the law say so?
- Q COMMISSIONER BLACKSTOCK: Mostly because a man does not tax himself, and, theoretically, he is the king, and the King does not impose taxes on himself. He does not impose taxes on himself, isn't that right, Mr. Bredin?

 MR.BREDIN: Yes.
- A Some of the Queen's subjects would be taxed for property, and other Queen's subjects would not be taxed, in other words.
- Q COMMISSIONER ROBISON: Well, would it be advisable for these grants to be set up on the basis of assessments in the City and the mill rate be applied to the grants and the grants made accordingly?
- A I think that would be very advisable, sir.
- Now, the reason I asked you that is this, that it is inevitable that the grants, government grants, enter into municipal financing. Is it advisable that these grants, so far as possible, be put on some basis allied to taxation on property, for example, so that you are not in the position of not knowing from year to year where certain moneys may or may not come from? Do you see what I am driving at?
- A I think that would be most advisable. There could never be a quarrel with that. If the grants equalled the taxes derived from a municipal assessment, no one could quarrel

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with that.

- Then arising out of something Mayor Mackintosh has raised, and others here, referring to Bowness, Montgomery and Forest Lawn, would you consider it advisable or necessary over a short or a long period, as the case may be to set these areas up for the purpose of representation on some special basis, for example, a ward system? Should Bowness, to be specific, in any proposed amalgamation that is consummated, have a special representation on the City Council?
- A Wouldn't this be getting into the Metropolitan form of government rather than straight annexation?
- Q Not necessarily. You would have to set up a ward system of some kind, like they did in Edmonton. Would that be a good move to make?
- A There would certainly have to be a period of adjustment.

 Now, just how that would be worked out, I don't know.
- Q Would you favour the setting up of some ward system in this city?
- A A ward system as a whole?
- Q Well, for some outlying areas, guaranteeing representation from the areas for a shorter or a longer period?
- Well, perhaps that would be the best answer to the period of adjustment, yes. I haven't given any thought to that, sir. I don't know that I can answer that question.
- Q All right, thank you, Mr.Lyle.

 THE CHAIRMAN: Mr. Blackstock?

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COMMISSIONER BLACKSTOCK: I have no questions, Mr. Lyle. But I think I should tell you, and Mayor Mackintosh, who said the same thing, and that is that under the Public Utilities Act, if land is annexed to a city, the Board has power to provide that the annexed area shall not be subject to the payment of existing debentures. And I only mention that to point out that it is not a new principle that is being advocated. The principle has been in this Province for many, many years that annexed property may, by Order of the Board, be exempted from the payment of any part of the existing debentures.

THE CHAIRMAN:

Mr. Davies?

EXAMINATION BY COMMISSIONER DAVIES:

- Q Mr. Lyle, I want to deal for a moment with the question of Regional Planning?
- A Yes, sir.
- Now, whether Calgary's boundaries remain the same or whether they are extended, there still is a place where Calgary's boundaries stop, and, whereupon, passing beyond them, you come into the area of a rural municipality, right?
- A Right.
- Q Now, it is quite clear from our legislation at the present, that Calgary has a Technical Planning Board under Section 88 of the Act and that Calgary has complete

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control of land use and the sub-division of land within the City, right?

- A Right.
- Now, I think you will agree that even when the boundaries are extended that the problem is still going to be in existence, that somebody may go out beyond that boundary and set down a small shack, or put into some use and occupancy of the land which might over a term of years reach the stage where it might adversely affect the city, right?
- A Quite right, sir.
- So that, therefore, as Mr. Brownlee suggested to you, it is essential that there should be a forum, whether it be the District Planning Commission, or whatever else you want to call it, where representatives of the City and representatives of the rural area can come together to work out what should be done immediately with regard to the boundaries of the city, is that right?
- A I am quite in agreement with that, sir.
- Now, I want to go two or three stages further. At present, under our existing legislation, there is provision that whenever there is going to be an area of land sub-divided that is within two miles of a boundary of a city, that before that sub-division plan is given approval that it is referred to the city, and, in any case, it would be referred to the Technical Planning Board for their comments.

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- A No, I wasn't aware that that existed within two miles of a city. I thought anything outside of the city went to the Greater Area Commission.
- Well, it does. It goes in the first instance to the municipality concerned, but in most cases it does end up in the hands of the District Planning Commission, because in some cases the District Planning Commission is the designated approval authority for the plan.
- A That is right, sir.
- Q For the sub-division plan?
- A That is right.
- But, as I understand it, there is a statutory obligation that a proposed sub-division within two miles of the city's boundaries should be referred to the city, so that the City has some definite notice as to what is going on. Now, what I would like to ask you is this: Remember that is only dealing with a sub-division, and would you agree that it is a desirable thing that is in existence now, you would, wouldn't you?
- A Yes, I would.
- Now, would you go a step further and say possibly that that provision should be extended further out than two miles?
- A Well, if I thought that the District Planning Commission could handle it efficiently, I would certainly agree with

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- that. Of course, you have to draw the line there somewhere, whether two miles or four miles. I don't think I have a definite opirion on that, sir.
- Q Then I want to go one step further. Do you think that the question of the use of the land should be in the same position in relationship to developments, for example, within two miles beyond your boundaries as, say, the question of the sub-division plan itself being referred to the City?

 Have I made myself clear on that?
- A Yes, I think so. The question is clear, but the answer isn't. There, again, it would come under the jurisdiction of the Regional Planning what is it, a Commission? It isn't a Commission.
- Q District Planning Commission?
- A District Planning Commission, and whether or not, I am not sure but what the District Planning Commission is set up in such a way that they could take care of land use further out than two miles from the city quite properly, sir.
- What I really would like to get at is, do you think that the question of use of land within two miles of the city boundaries should bereferred, that the city should have a right of referral just like they have in connection with the sub-division plans?
- A Yes, I think that is very important, sir. I think they should have the right of, could we say, refusal of an application for use, or specified land use, but, of course,

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en en la grande de la companya de l La companya de there, again, your District Planning Commission should certainly take care of that. The District Planning Commission's very appointment is for that particular purpose, is it not?

Well, I will give you an illustration. Let us suppose that () this application goes to the District Planning Commission to establish an industry, a certain industry, or a certain industry wants land, and they want to establish, we will keep it within two miles, say they want to establish it within two miles of the existing boundary of the City of Calgary. Now, the City of Calgary has a representative on the District Planning Commission, and he does not think that this industry should be established there. He thinks that industry should establish within the boundaries of the City of Calgary, and, shall we say, that within the boundaries there is ample space and proper space for it to be established in. So that he votes against the establishment. In the District Planning Commission he votes against letting that new industry in where it wants to go, but the majority of the District Planning Commission, they vote in favour of giving that industry that site, one and a half miles, or shall we say, beyond Calgary's extended boundaries, if they are extended. Now, do you think that that should be final as far as the City of Calgary is concerned, or do you think that the City of Calgary should still have some, let us say, appeal or

some further rights in respect to the matter, or would you take it that that finally settles it?

- I think the City of Calgary should have some rights in Α connection with land use that close to the city, but I would also think that if the District Planning Committee or Commission were unbiased, there would be no question about the rightful use of the lands. Of course, I have brought up here the matter of different outlooks, urban and rural outlooks on such a Commission. I don't know how far out from the city limits, I don't know how you could put a particular limit of twomiles, as mentioned, but, for instance, the city district here extends, from the present city limits, there should be presently control there at the present time up to five miles, that is, with respect to the south district or the south section. On the northwesterly section there is no need of any control at all. Easterly, perhaps a mile or two. You see, we have taken this into consideration in suggesting proposed limits of the city.
- The Toronto Metropolitan Planning Board, Mr. Lyle, has jurisdiction of roughly speaking, 8 miles beyond the actual geographical boundaries of the 13 municipalities that comprise Toronto City, or Metropolitan Toronto today.

 And the London and District Planning Board, taking into account the area round the City of London, in the Province of Ontario, has jurisdiction five miles out. That is why I was asking you the questions I was.

- A Well, do they have the same set-up, sir? A greater area, for instance, our Greater Area Commission here extends as far as, what is it, I think Nanton, and the local area, of course, within the two miles of the city limits as you have suggested.
- No, it isn't. It is a different set-up, Mr.Lyle, with some similarity, but still it is different. For the purposes of comparison I was trying to get out from you as a real estate representative what your feelings are on how far beyond the boundaries of a given city that the city should have some say, either directly or indirectly, in the planning.

 Maybe you cannot add anything to what you have already said?
- Well, it is something new to me, sir. I can see the predicament that may arise in connection with it. I haven't thought of it just in that light. Assuming, of course, at all times, that this Greater Area Commission would be acting as, acting in an efficient manner in establishing land use. I think the whole question revolves around that, does it not?
- Q That is all, Mr. Chairman, thank you.
- Q COMMISSIONER BLACKSTOCK: I would be afraid that in the meantime you would lose the industry.
- A We are used to that, sir, in Calgary.
- Q THE CHAIRMAN: Mr. Hayes?

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EXAMINATION BY MR. HAYES:

- I am interested in this zoning that is spoken of around the City, that they might have jurisdiction out into the rural areas. What are your thoughts along the lines that the rural areas might have some jurisdiction over a portion of land within the city limits?
- A If there is any chance, sir, that the rural area might expand, to take up urban territory, I would think there would be quite a good basis for that.
- Q Well, what about something being erected within the city limits that the rural district might feel was detrimental to them; do you feel that they should have any say there?
- A They have, sir, I think under the Greater Area Planning Commission.
- Q Within the city limits?
- A No.
- Q No. That is a suggestion that I am trying to get at. It is a one-way street, or seemingly.
- A That is right.
- Q That is right?
- A Yes.
- Q You say that the City should have some jurisdiction over a few miles surrounding the city?
- A That is right.
- Q What do you say about the surrounding area, that it might have some say as to the development that is going to take

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- place within a reasonable radius inside of the city?
- A I think the answer to that, sir, is dependent on which side of the city line you live, sir.
- Q I thought so. You mentioned in one particular case about contractors or builders, and about the part that they did not disclose. What did that have reference to?
- We are now natrually interested in arriving at cost of Α construction and, mainly, government costs of construction of residences. We are continually in our conversation with builders trying to arrive at an index of costs. I merely implied that is very difficult to get. You will get one line of thought from one builder and a different line from another builder, and you will arrive at figures on a square footage basis, for an average sized one-storey home, for instance, from \$8.50 a square foot to a spread of maybe \$3.00 or more, going up to \$11.50 a square foot. Well, in calculating the costs you certainly cannot go on a spread of that much. You would have to have some closer figure than that. However, I do not think you will get them from casual conversation with various builders, for many reasons. One builder may be much more efficient in his operation than another. He may be more efficient in his bookkeeping than another. I don't think the builders themselves know exactly to a point how much it costs them. And it isn't to a builder's advantage, any more than it is to a merchant's, to let the general public

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- know exactly the cost of an article.
- Q COMMISSIONER ROBISON: That is not the only way of arriving at the costs; you could do a quantity survey of your own?
- A That is true. I merely mention that you do not get your costs from a casual conversation with builders.
- Q COMMISSIONER HAYES: But what I had in mind was this, that you suggest here that somebody should supply some money to finance low cost housing, and if you cannot get from contractors or builders a building cost, how are you going to start?
- I have mentioned to two or three builders this matter of financing small homes, say, around 600 square feet up to a ceiling price of, say, \$6,000.00 and taking a mortgage of \$5,000.00 on it, which is comparable in a way to N. H.A. building, but would be serving a different class of people than the N. H. A. does, sir. Two prominent builders say that they would love to have a contract for a few hundred houses like that. I don't think there is anything wrong with the cost basis if the builders will take it.
- Q It is not a question of the builder or contractor, it is a case of how much he gets out of it. It seems to me that any builder would know his costs or he wouldn't be very long in the building business if he didn't know what it cost?
- A He would know close to his costs, yes.

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- Q So that I was particularly interested in that, the part that he would not disclose. In other words, is the thought there, for instance, that he would like to make 10%, but he would be tickled to death to make 20?
- Well, the reference here to the 20% was with the thought in mind of a small builder putting up a house at a time and doing a considerable portion of the work himself. Under circumstances of that kind 20% would not be exhorbitant, 20% would not be an exhorbitant profit, including his wages.
- Q If it was part of his wages?
- A Yes, that is right.
- Now, you mentioned about these shacks adjacent to the city.

 From observations I have seen where they are improving some districts, where they are moving out poor homes, we will say, and replacing them with better ones. Where would they be moved to if there weren't places like Montgomery, Bowness, Forest Lawn, or something like that?
- A That is a very good question. It is quite a problem within the city limits with regard to some of the older houses that have been moved for different land use. For instance, an office building or something like that goes up. And it is almost impossible to move them, but it has evolved to the point where there is no salvage value in the old house at all. It is very difficult to get a place where the neighbors do not object to a house being moved on. Mr. Bredin will bear me out in this, that there has been

considerable trouble in different localities by permitting houses to be moved there. But I don't think the answer is to move them to Montgomery or Bowness or any other district. If they are shacks or too old for reasonable occupancy, my answer would be they should not be moved, they should be torn down.

- Q Do you know of any regulation in the City that would, for instance, put them in various categories, that some of them would be condemned, and to be demolished, as it were?
- A Well, only this, when you go to get a removal permit, if they don't meet certain standards you won't get a permit at all.
- Q They control that?
- A It is controlled by the Building Inspector.

 MR.MACKINTOSH:

 Mr. Chairman, just in order

 to clear up one point: We, in Bowness, do not permit the

 moving of any type of building from Calgary to Bowness.

 THE CHAIRMAN:

 Dr. Mayo?

EXAMINATION BY DR. MAYO:

- Just a few simple questions, Mr. Lyle, to make sure that I get what you are recommending. At the very end of the brief you mentioned the need to keep the percentage of home ownership high. Have you got any figures that you could supply us with on the percentage of home ownership in Calgary?
- A No, I haven't. The percentage is perhaps a little higher

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than average. Commissioner Robison may have some figures on that.

COMMISSIONER ROBISON: Yes, I have. It is about 65%, I understand, in Calgary, and about 73% in Edmonton.

- O DR. MAYO:

 A point that might be important there is, how is the percentage going? Is it going up or down, because in one sense, it has been pointed out that the high taxes may lead to a dangerous decline in the desire to own homes. Now, if the percentage of home ownership is going up, obviously you have not reached that point yet, and it would be very useful to document it, if we could?
- A You are quite right.
- And the other point, I take it that, although you stress home ownership you are not ruling out altogether a place for rentals in any city, a place for rental accommodation?
- A I think that word "altogether" explains my position.
- Now, with regard to the financing of small homes, I am a little puzzled about the recommendation there. In one sentence you say that there is no source of funds other than the Provincial Government, and I am speaking of these small homes that the N. H. A. doesn't cover, and then you go on in the next sentence and say "We realize that this would be unprecedented and economically unsound." Now, it seems to me almost as though the brief is straddling the fence.

 Is it a firm recommendation that the Provincial Government

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should make funds available for this purpose?

- A Yes.
- Q But you do say it is economically unsound?
- A Economically unsound to this extent, the present structure of financing is through the N.H. A., which, in turn, has been mainly through life insurance funds and bank funds as well, and what might be termed by these institutions as economically unsound and refused by them, would naturally be different. We are recommending that the Provincial Government set up a revolving fund to loan to that class of applicant. When we state economically unsound we are referring there, we are referring there to, in financial terms, to trusteeship, should we say, to life insurance companies and of banks and so on. It is my own opinion that while this sort of a loaning fund or revolving fund certainly would not be undertaken by life insurance companies, particularly when they could put all the money they want to under the N.H. A., with its higher level of soundness, I don't think it could be called extremely uneconomical. I understand that there are certain funds in the States of this nature that are quite successful.
- Q I see. Well, that clears that up a great deal. And it is a firm recommendation?
- A Yes.
- Q That the Provincial Government shouldby the source of funds. The other, I suppose, is just an estimate, that

25 million dollars would be required in a revolving fund for 5,000 small homes. You are not suggesting that 5,000 is the number necessarily that should be built each year?

- A Oh, yes. I was merely stating a figure.
- Q Yes?
- A And at \$5,000.00 per home it would amount to \$25,000,000.00 of a fund.
- Q But you haven't gone on from that to make an estimate as to how many you think there might be added in each year?
- A That would involve considerable time, sir.
- Q All right, thank you.

EXAMINATION BY COMMISSIONER DAVIES:

- I would just like, before we adjourn, to ask Mr. Lyle one more question. Do you think, Mr. Lyle, that if the right to sue on the personal covenant on mortgages were returned in Alberta, do you think that would make much difference to private money being available for these small homes?
- A Yes, I think it would quite certainly do.
- You know that the position of Alberta is quite unique in the Dominion of Canada, that if a mortgage is in default, that the right of the mortgage holder, unless it is the Crown, that is, tied up in these National Housing affairs, that the right of the party under the mortgage is limited to foreclosing and taking the property back, and that he cannot get a deficiency judgment against the mortgager

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if the house or property sells for less than what his claim is. You understand that?

- A I understand that quite fully, sir.
- Q Do you think that this is to some extent at the root of the difficulty of this Province with regard to financing propositions such as this, and that private money would be or could be available if the personal covenant were back?
- A Well, to some extent, but I don't know to what extent, sir.

 There would be, I would say in this particular scheme there would be money in there perhaps for purposes that private funds would not loan to also, where perhaps there was an aged person.
- One more question. As a real estate man, you must know that there must be lots of people in Calgary who sell a \$6,000.00 home with a payment of \$1,000.00, aren't there? Or is that a hard deal to get through?
- A That is a hard deal to get through.
- Q I see. Ordinarily on the sale of a property of \$6,000.00, what does the average vendor insist on having as his down payment?
- We are going through a state or a period of flux at the moment in that regard. The terms are becoming easier. I would say on a \$6.000.00 property, anything below \$2,000.00 would probably not be looked at by the vendor or the owner.
- Q But you think that would improve if the personal covenant were back on Agreements for Sale and mortgages?

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- A It would in time. We have been off of personal covenants so long that it would take a little time to improve.
- Q Thank you.
- A Could I just mention one other thing, in connection with, I think, a very unpopular subject, the University here?
- Q THE CHAIRMAN: I do not think that is within the range of our reference?
- A I was wondering about that, sir. I haven't the terms of reference of the Commission here, with regard to your establishment, but I thought that education did come under it. I thought education did not stop at Grade 12, for instance.
- Well, Mr. Lyle, if you propose to open up that subject, you will have to come back this afternoon. In the meantime, I would have to review the terms of reference in issue. The Commission has not given any attention to that particular section of your brief. I was expressing a personal opinion at the moment?
- A Well, if I could, sir, just insert one observation, and it is just a very short one, and it has a bearing on the subject, whether you decree that it comes under your scope or not.
- Q Yes?
- A It is merely this, that in 1918 Russia had one University for every 15 million population, and Canada had one for every 315,000. Today Russia has someone going to University for every 150 population and Canada has one

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person in University for every 250.

- Q COMMISSIONER PAVIES: Would you mind giving us the date of that and so on?
- A This is the Financial Post of December 18th, last year, 154.
- Q THE CHAIRMAN: Having that in the transcript, is that sufficient for your purposes?
- A Yes, it is, sir.
- Thank you very much. Well, Mr. Lyle, I am assuming that all the questions have been asked that are to be asked of you, and I should like to say on behalf of the Commission that we are very happy that you were able to come and give us this information and assistance.
- A Thank you very much, sir.

THE CHAIRMAN:

Before adjournment, I would

like to ask Dr. Wright, and, first of all, Dr. Wright,

I must say that I am sorry that we did not make more rapid

progress than we did. I expected that we might get further

forward. Would you come at 2 o'clock?

DR. WRIGHT: Yes, Mr. Chairman.

THE CHAIRMAN: Have you a plan, Dr. Wright, for the presentation of this document of yours? I mean,

I do not think it is within my province to say that you should not read it all, if you wish to do so, but while we are certainly very happy to live in the City of Calgary for such time as $_{\rm W}{\rm e}$ can possibly manage, you understand that, but, on the other hand, the Government is expecting

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I there that it is a second of the second of th to get a report sometime. So that I would suggest if you could do something like this - I think all of us have read this brief, and appreciate the care you have taken with it, and we have had copies of the report that was made, and I am only suggesting that perhaps you not take too much time on the historical basis but rather stress the things which your association think this Commission ought to take cognizance of. And for my own part I am very anxious that you should, I am not quite clear from reading this, that your Association, while it objects to property taxes for the support of hospitals, whether it would prefer to have the Quebec plan or the B. C. plan or the Saskatchewan plan, or what, and I would like you to give some attention to that. I hope I am not circumscribing you too much. You will interpret your own brief in your own way, but be very specific in the things which you think do fall within the range of this Commission's terms of reference.

DR. WRIGHT:

I appreciate what you say,

Dr. McNally. I had no intention or hoped that it would not

be necessary to read the whole brief. I was under the

impression that the members of the Commission would have

had an opportunity to review it beforehand. I did not have

in mind reading this whole brief. I appreciate what you

say, and I shall be guided in my presentation by what you

say. I appreciate that time is a matter of interest and

necessity.

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Dr. L. O. Bradley, the Administrator of the Calgary General Hospital at this time, and Mr.Menzie Dyck, the Business Manager of the Calgary General Hospital. It may be that I will refer some matters to these three gentlemen. I am including in that Mr. Price, who has already been introduced. I am concerned more with principles, and they are concerned more with the details. I was trying to arrive at the conclusions and the recommendations that I am sure we are all interested in, more than the background materials.

Thank you very much, Dr. THE CHAIRMAN: Wright. The only suggestion I have to make with regard to it is that if it is possible that the information which you think Dr. Bradley or these other gentlemen business administrators might give, if it could be made or given through you when you are giving your evidence, unless you think it is desirable that all of you should be sworn, and they will be called to the stand after you are finished, which, from our standpoint, and the standpoint of the transcript, is the better way to do it. But I can understand that it might be a very bad way so far as your presentation is concerned, because you might want the information when you have reached a certain point in your presentation. I shall have to leave that to your judgment.

DR. WRIGHT:

I would believe that it

would depend on the questions that follow.

THE CHAIRMAN:

All right, thank you, Dr.

Wright. We will adjourn now until 2 o'clock.

(Hearing adjourned and resumed at 2:00 p.m.)

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2:00 P.M. SESSION, 26 JANUARY, 1955

THE CHAIRMAN:

All right, Mr. Wright.

HOWARD P. WRIGHT, having been first duly sworn, examined by the Chairman, testified as follows:

- Q Dr. Wright, just be seated, if you prefer to be, and carry on.
- A Mr. Chairman, and Members of the Commission: I think probably it might be a matter of record, and probably you would be interested to just know what contact I have had with the hospital field.

General Hospital Board in January of 1952, and I presume you will all recall the events that happened. I do not know whether it was because of my election to the Board, but, at least, I was in the East, and Mrs. Wright sent me some clippings from the Calgary papers to the effect that the nurses had all threatened to resign. That was the begin ing of a very intense indoctrination into the hospital field. As it so happened, it seemed to fall to my lot to assist in the clearing of the difficulty, and it did give me a rather intensive course in hospital nursing and administration and so on.

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Associated Hospitass of Alberta Directorate in October of '52, and was appointed as a Member of the Fact Finding Committee in November of that same year, and, in connection with five other members, we spent until the 24th day of January surveying the 22 hospitals in Alberta.

I have been the Chairman of the Calgary General Hospital Board for about a year and a half. I have taken a very keen interest in the hospital field, and it just so happens that I am in a position to devote considerable time to it. And that is the background.

Now, the Mayor of Calgary sometime ago asked me if I would prepare a brief for the Commission, outlining the impact of the hospitalization program on civic financing, and I accepted the responsibility and consulted a number of friends in its preparation.

In going over the text, with respect to the printed text or the typewritten text, I received the printed or typewritten text at the same time that you did, and I find that there are one or two omissions and some errors, and, with your permission, I am just going to refer to them now, and that will cover it.

- Q Yes?
- On Page 5 of the Report, in the second paragraph, there is a mis-statement of facts, that is in the statement which reads,

[&]quot; And the Government today shoulders the full cost."

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That should be,

" and contributes part of the cost."

It should be "contributes part of the cost." It should be "contributes toward the cost",

not part of the cost. It would read then,

The Government today contributes toward the cost."

And then on page 27 of the brief there is an error in numbering. In the third line where it says (3), that, obviously, should be (4). And in the same line

" The basic nature of the recommendations proposed in number 2"

that should be

- " in number 3" instead of "number 2."
- Q Dr. Wright, please don't go quite so fast. Page 27, will you begin over again?
- A Page 27?
- Q Yes, page 27?
- On page 27, that should be (4) instead of (3). It is obvious because on the previous page you find the (2) and (3).
- Q Yes?
- A And then "the recommendations proposed in number 3" instead of number 2.
- Q Yes?
- A Now, there is one little omission on page 28. At the end

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of the second paragraph there should be added "in the other groups".

- Q Following "this would have to be graded somewhat"?
- A "Graded somewhat in the other groups."
- Q Yes?
- A Now, with those three changes it stands.
- Q Yes?
- A Now, in order to summarize this, as I said this morning, and I appreciate your permission, I had hoped that I would not have to read this whole thing, because it does take quite awhile. I know how long it took to put it together.
- I think you will appreciate the fact that in making a major contribution or recommendation it was necessary to go rather far afield. I do not think you would have appreciated it if I had just come in here and made a blunt recommendation so and so, and so and so, without going into the background of the question and advancing some argument as to whether it was possible or how it was accomplished elsewhere.

Now, in order to just sum rize this. The problem of taxes on real property is a concern of every one. I listend to Mr. Batchelor review his presentation and the cross-examination, and I was pleased to hear him state that he, himself, felt that hospital services should not be related to real property. The city aldermen, if you read the paper, it is evident that they say "We must hold the line, that property cannot stand

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any more of the burden." Now, that may be quite true, and you want to do that, but I submit that city services must be looked after. However, I think that there is another approach to this thing. Is it possible, by careful examination of the tax burden, to see if we cannot remove some of that burden and place it properly somewhere else? Now, that is, you might say, my main aapproach to this problem. Hospital services, as such, and the results of inadequate and improperly constituted rate structures should be carefully examined as they contribute, to a very definite degree toward tax load, as is shown on page 21. And if you will look at page 21 of the brief, you will see the table which gives you a reasonably clear picture at least of the impact of hospitalization on our city mill rate. This table is set up in two parts. The first part of the table refers to the hospital services, the result of the Provincial sharing plans and the deficit that results from Provincial care plans. And then going on to tie in with the capital charges and combining the two.

Now, this covers a period of three years, '52, '53 and the '54.

Now, I think one of the questions that will immediately come to your mind, why the significant difference in the totals in those three years? And if you turn to page 22, on the next page, you will find that I recite the changing period or the things

that happen during those three years. I do not think that I need to read that, but page 22 does recite the changing picture that happens in Calgary.

- Q Yes.
- A And there is other relative material to the deficit position in the Calgary General Hospital.

Now, I mentioned the Provincial sharing plans and provincial care plans. I think a word might be necessary here. They are pretty well recited in the brief on pages 5 and 6. I recite the bases of the Provincial sharing plan. That is what we familiarly call the \$1.00 per day plan, and the latest addition, the \$1.00 per day extra services plan. Those are the Provincial sharing plans.

Now, the Provincial care plans are those covering maternity, old age pensioners, mothers' allowances, blind pensioners, polio, cancer funds, etc.

Now, as is recited in the brief, this municipal hospitalization picture began back in 1919 and down through the years there have been many changes, with the result that we come today to a very complicated and complex plan, or a number of plans with considerable overlapping, and both Mr. Pryce and Mr. Dyck, if you so wish, they can point out to you the complications and the difficulties and the extra staff that is required

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to unscramble some of these complicated hospital accounts that result from this very fact.

Now, the Province, presumably, according to their own pamphlet, having regard to the Alberta Health Services program, with regard to that the public, I believe, are under the impression that it is so worded that the Province takes care of the costs of these Provincial care plans. Now, it is quite true that to the patient there is no cost, to the hospitals, and some of them are under fixed rates, the Province will pay up to a certain point, and, again, nearly all of them, when the rate does not meet the cost of giving the service, or, I mean to say, that in nearly all of them the rate does not meet the costs, and there is a difference between the rate and the earnings, and that then becomes the responsibility of the ratepayers of any given municipality, or, in the case of the voluntary hospitals, to themselves. Now, the Province is, apparently, willing to increase the amount of their contributions. I do not think it is necessary to go into the exact figures, because that changes from time to time, but the principle, the Province contributes. As you know, in the sharing plan, if a municipality will provide ward services and charge their residents and contract holders \$1.00 a day, the Province will split the difference 50-50, the municipality picking up 50% and the Province reimbursing the municipality. The municipality pays the hospital. Similarly, it is the

same in connection with the extra services plans. There is a fixed rate, as is in the case of the \$1.00 a day plan. There is an approved rate. That is the rate that our committee recommend.

Now, in the case of the extra services plan, again if a municipality will provide these extra services at a fixed rate, the Province will contribute 50% of the difference, or 50% less \$1.00. Now, that is graded down into groups of hospitals. hospital is \$1.00, and the B, C, D and E hospitals are a little lower. There is a proposal to increase the Provincial contribution or the Government's contribution. The figure of 60-40 is now being proposed, and I have heard it discussed that 70-30 has been under consideration. In other words, the evidence is that the Province is willing to increase its share of hospitalization. Now, while that may appear to be, and it is, an admirable move on the part of the Province, I must refer to and point out that that does not help the hospital, because if that extra contribution is paid to a municipality it does not help the hospital at all. And I must particularly point out that the voluntary hospital is still in the difficult position, in that difficult position with no place to turn. Now, the Hardy report,

of which I have included 6 pages here, and I know that you have that before you, or will have, inasmuch as Mr. Hardy

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devoted 6 pages of a 31-page report to hospitalization,

I felt that probably you would be interested, and that
probably no one else would be presenting a hospital
picture, and I should quote the paragraph that he outlined
relative to hospitalization and add some comments of my
own. And you will find that from pages 9 to page 20.

Page 9 to page 20. I quote the paragraph, I numbered the
paragraphs and they are quoted in this report. In
addition to quoting them I have underlined what, to me,
were the very important statements that he made, to draw
them to your attention.

Now, I do not know that there is anything in here that I need to refer to specifically. My comments, I think, are quite clear, and unless there is some question I am going to move on.

Paragraphs 25 and 26 are two very important paragraphs, and I have a note here that the Fact Finding Committee recommended a continuous review of the costs and rate adjustments as soon as necessity was apparent.

One of the difficulties in our present hospital-government relationship results from the fact that there is no standing procedure to correlate rising costs in hospitals with the rate structure.

Unfortunately, we find that hospital costs are increasing. That is something that, apparently, it is pretty difficult

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to control. I should add this, that unless the rate is adjusted to correlate with the rising costs, again we find the municipality or the voluntary hospital carrying a load that probably was not intended in the first place, and that they should not carry it.

There is another rather important factor that I should go into in this summary. The Provincial care and sharing plans only cover part of the hospital days that are incurred in the Province. And you will find a table on page 8 which was prepared by the Economics Committee of the Associated Hospitals. That shows how this applies. That is on page 8. This table covers a period of nine months and it shows 5 groups of hospitals, or the four groups of hospitals. The little outpost hospitals were not included. There are four small outpost hospitals, and their percentage of days is so small to the total that they are not included. But this table shows you the Provincial sharing plans, the days under that and the Provincial care plans. And then it also shows the other And you will note how the percentage varies between groups of hospitals, with their days running from 40.90% in the A group down to 15.93% in the D group. And the other two groups are somewhere in between.

Now, that is only to be expected, because the A group of hospitals covers 6 city hospitals, 4 in Edmonton and two in Calgary. And we have

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the greater portion of transients and residents who have not established qualifications so that they can qualify for hospitalization and so on.

When you get out in the rural areas, you find that there are fewer people who cannot qualify for one of the sharing plans. I think that table is rather pertinent and it will further emphasize necessity of sound, of a sound rate structure, which I will refer to.

Mr. Hardy makes some

recommendations at pages 19 and 20, and my comments are set out there. Some of them I agree with and some of them I disagree with.

Now, the Calgary situation,
I refer to the table and the transition that we passed
through, and some of the reasons for the deficit in the
Calgary General Hospital. And there is one that always
faces us, and I suppose we will have it with us a long time.
We are the only hospital on a 40-hour week in the Province,
and that costs us just about \$240,000.00 a day as compared
to the other hospitals operating on a 44-hour week.

- Q COMMISSIONER DAVIES: You don't mean \$240,000.00 a day?
- A A year. It is \$240,000.00 per year. I am sorry. That is as compared to costs based on the 44-hour week.
- Q COMMISSIONER ROBISON: Would you mind me asking you in that connection whether you know of any other major

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hospitals, either here or in Edmonton, which may move on to a weekly basis like that, a 40-hour week, whether there are any moves on the horizon?

Well, the only comment that I might make with regard to that is that I believe that the business staff of the University Hospital are on a 40-hour week, but the rest of the hospital, I believe, are, I know are on a 44-hour week. I believe or know that the rest are on a 44-hour week but the business staff. Now, as far as any other hospitals are concerned, I do not know of any with any intention at the present time. There is a union in the Royal Alexandra Hospital. What bearing that will have on the question time will only tell.

Now, the mext paragraph or chapter is the remedial measures under consideration. Now, inasmuch as the Associated Hospitals have presented, just recently, last week, a brief to the Provincial Cabinet, I have included it in with this brief. There are certain principles relative to rate structures which I wish to refer to in my major recommendations, and that brief is, as I say, now before the Cabinet.

Now, coming to my conclusion. The first sentence carries, or the first two paragraphs are pertinent to this summary, on page 23, at the bottom of the page, page 23.

Q THE CHAIRMAN: Yes, that is the beginning of the conclusions?

A Yes. In Mr.Hardy's report, in his first paragraph, he states,

" Moreover the property tax is a debatable source of funds for such an undertaking."

On our Survey Committee in 1952 we had Mr. Alf Haarstad of Bentley, who is Vice-President of the Municipal Districts Association. He represented his organization, and he would say repeatedly,

" I can't see any connection between my quarter sections and hospital services."

We discussed the pros and cons of this at great length, and I, too, came to the conclusion that it was not sound even if it was a convenient and certain method of assistance in the financial operations of hospitals.

Again, on our survey, we had, like yourself, we had to spend the evenings, and I can picture you sometimes just wondering what to do, and no doubt you have similar lengthy discussions, pro and con, with regard to many things, and we did talk hospitals more than just during the day. And this question came before us many, many times. And we also received material from Saskatchewan and British Columbia relative to their hospital services plans, and as to how they did it in the other Provinces, and I can assure you that that was the subject of many discussions, and I can well recall Mr. Hayes'confrere, Mr. Haarstad, making that comment, which

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was so appropriate, "I cannot see any connection between my quarter sections and the hospitals."

Alberta seems to be the only Province that has followed this particular plan. And that is why I would state and wonder why we cannot, when we are talking so much about this tax burden on real property, whether we should not examine the thing carefully and see if there is not some way of relieving part of that burden, and I submit that should be done inasmuch as it is being done elsewhere, and similarly, to the satisfaction of the residents of the other Provinces. And because of that it is only natural to believe that it might be possible that it could be accomplished here.

Now, I think as far as the summary is concerned, that is all I need to say at the present time.

In my concluding paragraph,

I say,

There are other approaches to the support of a hospital service program which are in satisfactory use today."

This is on page 25, near the bottom.

They were initiated about 1947, and probably the experience and complications that exist in our Alberta plan had some bearing in the development of the programs in Saskatchewan and British Columbia. To me it is very significant that a tax on real property

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for hospital service is not a part of either plant.

Now, we come to the question

of recommendations. Again, the Mayor, in asking me to prepare this brief, he said,

"Howard, the Commissioners are interested in recommendations."

And, following his thought, and I wished to do it myself, I presumed to make certain recommendations.

Now, the first recommendation relates to the brief which was presented to the Provincial Cabinet last week. Inasmuch as the Provincial sharing and care plans only cover part of the days, it is highly essential that the rate structure should properly relate certain principles that, I submit, are not covered in our present rate structure. And my first recommendation, if I might read it, at the bottom of page 25, is as follows:

It is believed that the principles and recommendations enunciated in the brief presented by the Associated Hospitals are essential to any permanent solution to Alberta's Hospitalization program. The amount of money which the Province will contribute to the support of any plan is, of course, Governmental policy."

Now, the second recommendation refers to Mr. Hardy's comment, and I make a passing comment

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as well, that it might be used as an interim or remedial measure, but it is not a permanent solution to the problem.

endation, or the third point, I refer to the plans in Saskatchewan and British Columbia. Now, the basic difference between the two plans is that in Saskatchewan it is a family - government sharing plan. There is a family contribution for a single person or for the head of the family. In the case of a single person it is \$15.00, and in the case of the head of a family it is \$40.00. And that covers approximately - this is a compulsory plan and that covers approximately 50% of the cost of the total hospital services. They have had a sales and an educational tax in Saskatchewan for some years of 3%.

Now, when we go to British Columbia there is no family contribution. They have done away with that. They did have it in the early development of plan. There was a family contribution, also co-insurance. Now, British Columbia have \$1.00 per day of a deterrent, and the rest of the hospital services are derived from Sales Taxes, which was increased from 3% to 5%. That is the basic difference between the two plans on either side of us. The real property only comes into the picture when it comes to the question of capital, the development of plant and facilities. I should also add,

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as is recited in the brief, that the Province of British Columbia is extremely generous in its contributions toward capital. I believe they contribute 50% of the capital plant and equipment, plus the Federal matching grants. In Saskatchewan, as far as I can learn, the Province contributes on the matching basis as is set out in the Federal help, or the Federal Health Grant Plan.

- Q COMMISSIONER DAVIES: Could I interrupt you just a minute, Dr. Wright?
- A Yes.
- Q Could you tell us, or have you it in the brief, but could you tell us so that we will have it in the record as to what the 5% Sales Tax produced in a year and what the 3% Sales Tax produced in a year in those two Provinces?
- A I wouldn't know, Mr. Davies. I wouldn't know.
- Q THE CHAIRMAN: Well, Dr. Wright, can you perhaps give us that information?
- A I can certainly find out.
- Q Could you give us any idea as to what the 5% in British
 Columbia will produce as compared with the \$40.00 per family
 in Saskatchewan?
- A I can find out, Dr. McNally.
- Q It would probably produce more.
- A It might, probably.
- Q Yes.
- A Now, when we come to Number 4, which contains my basic

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recommendations, and possibly it might be well to read that into the record.

Q All right.

The basic nature of the recommendations proposed in No. 3 might not receive popular support, which is, of course, a major consideration on the part of any elected body. We have never had a sales tax here, and always seems a bit of a nusiance, when travelling in British Columbia and Saskatchewan, but it is not uncommon in Canada, and people do support something that is vital and necessary to meet circumstances.

When a major change seems necessary, and I submit that we must do something about our complex and incorrectly based Hospitalization program, it behooves all of us to make a very careful study of many factors.

In Chapter 6 'Conclusions', I mentioned that many changes had occurred in the 36 years since municipal hospitalization began. We have watched with interest and pleasure the completely changed economic position of our Province. Many people have come to our cities and they are very much a part of this tremendous development. Our Provincial debt, that we worried about so much for many years has now been superseded by an ever increasing Provincial surplus.

These people that have come to our cities and towns, and are creating many of the Metropolitan questions under

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study, have helped to develop our resources and will continue to do so.

It is a singularly strange anomaly that the very circumstances that make Alberta extremely wealthy, are making our larger urban municipal centres poorer and poorer.

The Provincial surplus is growing steadily and now amounts to nearly twice our Provincial debt, while at the same time Calgary and Edmonton have shouldered obligations, that, combined, far exceed this amount. I do not believe that this can continue indefinitely, and when we are considering this broad question of Metropolitan development, it seems more than appropriate to suggest a major change in our Hospitalization Service program.

I submit in all sincerity that one of the finest contributions our Government could make, would be to assume the full cost of hospital service to Alberta residents. It would be extremely popular as Hospitalization is the concern of every person throughout his or her lifetime.

In this connection I believe that a deterrent factor of possibly \$2.00 per day should be the responsibility of patients when hospitalized in the A hospital group to guard against possible overuse of this service. This would have to be graded somewhat

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in the other groups.

The Government is continually putting more and more money into Hospital Services, by additional plans which further assist hospitalized patients and which adds further to the complications and overlapping in administration. Isn't this the time to take the final step? It would be of so much benefit in many directions."

- Q THE CHAIRMAN: Dr. Wright, I assume that your Association has proposed to the Provincial Cabinet on more occasions than just this one, that is, the 14th of January, proposed some sort of change which would represent changes such as you have suggested?
- A No.
- Q Never before?
- A No.
- Q Never until now?
- A No. This is my own recommendation.
- Q I see.
- As far as the basic principles of a rate structure, yes, that is before them, but this is (indicating), shall I say, my own, my offer as a solution to our present position.
- Q COMMISSIONER DAVIES: Could you tell us what the cost would be involved, say, based on 1953 for that proposal?
- A It would be something less than \$9,000,000.00 to the total contribution. Less than 9 million dollars.

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- Q THE CHAIRMAN: Would any part of that be shared by the Dominion?
- A No.
- Q No?
- A No.
- Q COMMISSIONER ROBISON: Dr. Wright, would you leave the capital financing as at present? You refer here only to hospital service, and I presume you mean patients in the hospital?
- I would say this, Mr. Robison, that a great deal depends on Α the economic position of the Province, and if the Province should be in a position to do it, I see no reason why they shouldn't pick up a larger share of the construction program than they are doing at the present time. They exceeded in the case of nurses in residences, where Schools of Nursing are involved, where the Schools of Nursing are involved, they have gone beyond the Federal matching program. That was something that was decided in June of this year. I would hardly go so far as to say, Mr. Robison, that they should pick up the whole cost, but I do say that I always try to look at both sides of the picture, and if the responsible body is in a position to do it, that should be the governing factor. And I will go this far and say that I am sorry but it seems to me that there is a lack of appreciation of looking at the whole problem. There have been many statements made about provincial contributions, so and

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so, and so and so, so many roads, and so many miles, and so on, but frankly, I am not impressed at all until I know just how that, what bearing it has on the ability of the senior Government to make or to do certain things.

- It boils down, Dr. Wright, it is your suggestion, and I want to ask you two questions at this point, firstly, your suggestion is that the Government is unalterably opposed, let us say, or would view with alarm any proposal to put on a sales tax, and if that is so, then all it has to do is, out of its surplus, pick up this tab of \$9,000,000.00. That is, in a nutshell, what you are suggesting?
- Absolutely correct, if it is necessary, if we found A facilities necessary. I submit this, and Mr. Pryce or Mr. Dyck can tell you some of the complexities of our present plan, which has grown something like Topsy, starting in 1919, and we have added, and added, and overlapped, with the result that when you get a group of these chaps together - well, I recall a brief presented to the Hospitals Association, a four-page brief to Dr. Cross outlining the extreme difficulties, and it is poor having regard to a public realization point of view. Patients think they are entitled to this, and then they find when a thing is analyzed that it doesn't work out that way, and I think there is a factor there. And we have gone right along until now and I am bold enough to say that it cannot go on indefinitely, and there isn't any better time than the

present to take a good look at it.

- Dr. Wright, the other question I wanted to ask was with regard to, you assume a cortain analogy, having complete maternity, and things of that nature, but what you say is that in addition to that that you have consulted with administrative officers here, or perhaps in Edmonton, maybe men at either the General or Miscricordia Hospital, men or women, and they go along with you. Would that be a consultation with Dr. Bradley, for instance, and they all go along? That is, Dr. Bradley goes along with this?
- Yes, Dr. Bradley goes along with the major presentation, and so does Mr. Price, that is, the major recommendation of picking up the whole tab.
- Q Yes?
- A The Hospitals Association, as such, I must be governed by this brief which is attached to mine.
- Q The brief which is attached?
- A Yes. And, as I say, I tie in, first of all, which is extremely important, the necessity of a sound rate structure, because the Province, even if it did pick up the tab on the services, it only relates a certain percentage of the days, and the other days, say that a man from Toronto, the man that comes to Calgary and lives here from outside, and until he can buy a piece of property or qualify for one of the sharing plans, if he is hospitalized, that is a different matter, and we must have a rate structure that

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will fairly reflect costs and earnings. And that is why I say there are the two things. It must be related to the recommendations on page 5 of the Appendix and on pages 25 and 28.

Now, Mr. Chaiman, that is a running summary. The rest of it is relevant material that gives you, I hope, a background.

- Q THE CHAIRMAN: That we shall certainly refer to when we are formulating our recommendations in connection with hospitalization; no question about that.
- I may have omitted something in my running summary, but I believe I have given you a fair coverage of it.
- Q Would you care to comment on something that I have heard the Minister say on more occasions than one?
- A Yes, sir.
- Q That this whole problem is complicated by the fact that the management varies so from hospital to hospital?
- Well, that is a very interesting thing to hear. I hope that I have given you enough, and if you do not think I have, I am going to ask you to call Mr. Pryce to this chair, because he can tell you what causes these complications, and I think he can do a very good job too.
- Yes, no doubt. I was merely quoting what I had heard, and I am just asking you to comment?
- A No, I think the problems are basic, Mr. Chairman.
- Q And any variations in administrative practice would be of

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minor importance?

- A That is correct.
- Q Yes?
- A There are differences in operations of hospitals.
- Q Yes?
- A Each hospital is different.
- Q Yes.

 that is one of the matters, one of the major difficulties in our Alberta picture.
- Q Yes?
- A There is no consideration given in the rating to these differences that occur.
- Q Yes?
- A Differences in occupancy, for instance, and so on.
- Q Yes?
- A All we did on our fact finding committee work, we were able to bring in five rates.
- Q Yes?
- A One for the A, one for the B, C, D. and E, five figures.

 There were no recommendations, However, we did add a few thoughts.
- Q Yes?
- A And we checked the A Hospitals, there are six hospitals,
 A Hospitals, and surveyed four of them, and in checking,
 it was obvious when we did it that some hospitals were in
 a deficit position immediately and others were still quite

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able to meet the costs. And that was true in each group of hospitals. There are justifiable differences. And while it is probably a quick way of approaching it, yet it certainly is much to be desired, in my opinion.

- Q Dr. Wright, what information have you or observation have you made in the Province of Saskatchewan?
- A This is a compulsory requirement on the part of all citizens.
- Q A compulsory requirement on the part of all citizens, heads of families and individuals, single individuals?
- A Yes.
- Q What method is there of compelling payment?
- A You are relating now to the Saskatchewan field?
- Q Yes, Saskatchewan?
- A Well, it may interest you to know that in order to satisfy myself you may know that I have had a long association with the Canadian Seed Growers.
- Q Yes?
- A And in each Province I have many friends.
- Q Yes?
- A And sometime before Christmas I drafted a letter to 25 of my seed grower friends scattered up and down the whole of Saskatchewan, and I have the most interesting file of replies. I submitted six questions, and one of them was, What effect will the serious crop loss occasioned in the Province have on the Hospital Services Plan?

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- Q Yes?
- A And it is most significant to me that without any question, without any exception, the answer was that people are paying their hospital premiums or buying their hospital cards because they value the service, and they are budgeting for that expenditure ahead of probably some others.
- Q Yes?
- A Now, to me that is extremely significant. Evidently there is no problem, no general problem in making the collection.
- Detter take our mid-afternoon recess at this point and then invite questions. I realize that the Commission has interrupted you on more occasions than one, but that was merely to satisfy ourselves in the matter of information in a field where some of us are in complete innocence. I am anxious, and I want to say on behalf of the Commission that we feel that this a very important and very significant contribution that you have made. We will have more to say about that when the cross-examination is complete, Dr. Wright.

Now, if you are agreeable, the Commission will take its 10-minute recess and re-assemble at 5 minutes after 3, and at that time I will invite persons from the floor to ask you questions first, and then I will give the members of the Commission the opportunity of asking you questions as well. Thank you very much, Dr. Wright.

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(Hearing resumed after short adjournment).

THE CHAIRMAN:

Before the cross-examination

is undertaken, I should like to have this brief that has been presented by Dr. Wright on behalf of the Calgary Hospitals Board - is that correct, Dr. Wright?

A Well, it is really my own brief. I am presenting it. I am Chairman of the Board, but I am presenting this brief at the request of the Mayor.

THE CHAIRMAN:

This will be marked as Exhibit

number 620.

BRIEF PRESENTED BY DR. WRIGHT MARKED EXHIBIT NO. 62C.

As I say, if I might interrupt, on page 30, that I have consulted with several friends, and I wish to thank each one of them for their assistance, and their names are recited on page 30.

THE CHAIRMAN:

Yes. Well, we will now give

the persons on the floor the opportunity of asking questions.

CROSS-EXAMINATION BY MR. BREDIN:

I was just going to ask Dr. Wright one question. Earlier,
Dr. Wright, you referred, I think you were referring to the
\$1.00 a day plan in which you stated that the patient paid
\$1.00 and the balance was split between the Province and
the City. Now, that does not cover the total cost of
hospitalization, does it, Doctor?

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- A No, just the days of patients that can qualify.
- Q And it is based on a standard ward rate, is that not the case?
- A That is correct.
- Q It does not necessarily reflect the actual cost of hospitalization in the hospital?
- A That is correct.
- Q And in the case of the Calgary General Hospital, it is considerably less than the actual cost of hospitalization?
- A That is also correct.
- Q Thank you.

MR.MACKINTOSH:

THE CHAIRMAN:

I have some questions.

All right, Mayor Mackintosh.

EXAMINATION BY MR. MACKINTOSH:

- Q Mr. Chairman, I know that I have difficult in asking the question that I wish to ask, because of the many implications that are contained therein. Dr. Wright, the tendency at the present time is to create a sales tax to take care of hospital expenses and take the burden away from real estate and improvements. This was so in Saskatchewan and in British Columbia.
- A Yes.
- Q Now, according to a very rough figure that I tried to get out while you were talking at the present time industry and the commercial area in the City of Calgary contributes

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something over \$500,000.00 to hospitalization expense. Would you agree with that?

- A Mr. Mackintosh, Table 21, or page 21 gives you the . . .
- Q The assessment and so on?
- A Yes, the complete picture.
- I think the calculation would amount to something over half 0 a million dollars that industry and commerce would pay. Now, then, it seems to me that in some slight measure the Federal Government, through the deduction of taxation from the industry and commerce, are subsiziding to some slight degree, at least, the cost of hospitalization in the city. Now, if a sales tax is placed instead of the family rate, it may be much more expensive to collect, and, in the second place, it might bear unduly out of proportion, that is, at retail values, instead of manufactured values, on the people who will be called upon to pay the sales tax. know the argument is involved, and I don't know enough about it to present the question as it ought to be presented. But is it your opinion that under those conditions we are better off with the burden on real estate at the present time than substituting therefor sales tax?
 - A Well, in the first place, Mr. Mackintosh, I am not recommending the institution of a sales tax.
 - Q Yes?
 - A I suggest that that is one method that is being followed in two other Provinces. That is my recommendation, to

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do it here.

- Q Your recommendation is from the Government?
- A That is correct.
- Q Thank you.

THE CHAIRMAN:

Are there any other questions?

Well, if there are no other questions from the floor, we will begin with you, Mr. Hayes, you are the hospital expert as

far as the Commission is concerned.

COMMISSIONER HAYES:

Expert? I am hardly an

expert.

EXAMINATION BY COMMISSIONER HAYES:

- Q Dr. Wright, what are the hospital rates, how much are they in the City in Class A hospitals?
- A \$8.25.
- Q I mean the contracts or the tickets that are sold?
- A The contracts?
- Q Yes, the contracts?
- A That is \$10.00.
- Q \$10.00?
- A Yes.
- Q \$10.00 flat?
- A Yes.
- Q No difference between the individual and the families?
- A No.
- Q And then there are the extras, you add something for the

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- A If the municipality is on the extra service plan. Calgary has not adopted the extra services plan, but if you are in a municipality that has adopted the extra services plan there is, it seems to me Edmonton is \$12.00.
- Q THE CHAIRMAN: \$14.00.
- A \$14.00 for a contract?

 THE CHAIRMAN: Yes.
- Q COMMISSIONER HAYES: It is \$4.00 in the city.

 Calgary is not on that basis?
- A No.
- Q \$10.00 flat?
- A Yes.
- Q Which entitles you to what?
- A Which entitles you to standard ward service.
- Q Well, we understand that the contracts are the same price in the urban districts and the rural districts, \$10.00 flat?
- A No. I believe they are scaled somewhat. I am venturing an opinion, but I do not think it is \$10.00 flat. I think that is in the A Hospitals. Probably some of these business fellows would know, Mr. Pryce or Mr. Dyck.
- Q THE CHAIRMAN: You mean the Business Administrators?
- A Yes, the Business Administrators. Mr. Pryce or Mr. Dyck

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might be able to answer it specifically.

COMMISSIONER BLACKSTOCK: In the days when I had something to do with it it was \$6.00 in rural municipal hospitals?

A It was raised to \$10.00 just a year ago after we brought in our recommended rate of \$8.25 for the A Hospitals. It was \$8.00 at that time. Now, I presume maybe it was \$6.00 sometime before that, but it was \$8.00 when we made our recommendation, and then it was increased to \$10.00.

THE CHAIRMAN:

What was the actual information

that you wanted from Mr. Pryce, Mr. Hayes?

COMMISSIONER HAYES:

Whether there is a uniform rate

throughout the Province.

MR.PRYCE:

No sir, the rate is not

uniform throughout the Province. The Minister has set a rate in which you would participate in a 50% basis, but if the municipality wanted to charge a higher rate then the Provincial participation would be lower.

- Q COMMISSIONER HAYES: You sell contracts here for \$10.00?
- A To a single person. . .
- Q To a single person?
- A . . or the head of the family.
- Q And that is the highest rate that is allowed to be charged?
- A That is correct.

THE CHAIRMAN:

Mr. Gardiner, you seem to

be making demonstrations; do you not think that is ture?

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MR. GARDINER:

Mr. Chairman, I was trying
to convince the gentleman on my left that the flat rate does
not prevail. Nor is it a rate that is firm throughout the
Province. Our understanding is that if we charge a rate in
excess of \$10.00, you are privileged to do that, but you
have to make a return to the Department once a year, and then
they will pay a deficit which you have, I haven't got this
thing all together, but I understand there is no limit as far
as that is concerned as to the extent of the contract price.
I am informed that there are some hospitals that have a
\$15.00 or a \$16.00 rate.

THE CHAIRMAN:

Is that the information that

you wanted?

COMMISIONER HAYES:

Yes.

Q Rut boiled down it amounts to the same thing. It would be figured out on the basis of \$10.00 throughout the Province. In other words, you can charge more, but it will be deleted from your bill at the end of the year?

MR. GARDINER:

That is true, yes.

- Q COMMISSIONER HAYES: Now, in your recommendations, Dr. Wright, you say that if we had a scheme similar to, we will say, Saskatchewan, and we realize politically what that means when we suggest Saskatchewan -
- A I have heard that before, Mr. Hayes.
- Q But what I am trying to get at is the relationship of the ticket holder?

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- A Yes.
- Now, somewhere in this brief I noticed that you asked that referrals be paid in full. Now, if you will tell us what happened in Saskatchewan, that is, how are the referrals taken care of?
- A My understanding is, Mr. Hayes, that the holder of the hospital card is entitled to service in any hospital.
- Q Yes?
- As long as he has paid his premium, and he is entitled to service if a doctor admits him, or if he believes that he should be admitted to a major medical centre, then his hospital card covers his hospitalization.
- But he must present himself first to his local hospital, or his local doctor, that is the point I was getting at?

 He is not at liberty to go to any hospital, in the first instance, but he must go to the hospital within his area or, of course, if it is an emergency he goes to some other place?
- A I would take it that that would be the case.
- Q Yes?
- I am not speaking from fact or knowledge, but I would naturally assume that.

THE CHAIRMAN:

I see there is some shaking

of heads.

COMMISSIONER ROBISON:

I see some shaking of heads

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THE CHAIRMAN:
Yes, I see there are some going on, some shaking of heads, would you like to get this clear?

COMMISSIONER HAYES:

Yes.

A Mr. Dyck would you answer that? Mr. Dyck was a resident if Saskatchewan.

MR. DYCK:

A resident of Saskatchewan,

if he has paid his money for the services, can go to any

hospital in the Province of Saskatchewan and the Province

pays the hospital a set rate a day, it doesn't matter

where the patient goes.

A Mr. Drck is from Saskatchewan.

MR. DYCK:

He must be identified or

qualified.

Q COMMISSIONER ROBISON:

But he doesn't have to go to

his local hospital?

MR. DYCK:

No, he can go to any hospital

in the Province.

COMMISSIONER HAYES:

Then you would have no such

thing as referrals?

MR. DYCK:

No.

Q COMMISSIONER HAYES: How would that tie up with the set-up here?

- A That would depend how the final plan would be developed.
- O Yes?
- A That would be one of the details in any Provincial plan.

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- Q Yes?
- At the present time the referral question is in, shall I say, a deplorable position in our own Province. It is left to the dictates of the municipality as to whether they will recognize referred cases.
- Q Yes?
- A This was one of the things, and this is interesting, on our fact finding survey. We were in one hospital, in one Hospital District, where it could so happen that two adjoining farmers that have paid taxes, hospital taxes, for 20 years, and if one had a type of operation that could be handled in the local hospital, there was little or nothing charged for extra services.
- Q Yes?
- And his neighbor, who had to go to Edmonton for heart surgery, or brain surgery, something that was difficult, he would receive no recognition whatsoever for all the hospital taxes that he had paid up to that time.
- Q Yes?
- A Now, that is why we, as a fact finding committee, recommended to the Associated Hospitals Committee, or the Associated Hospitals recommended that it should be mandatory, that it shouldn't just be left to the dictates of the local authority as to whether they recognized it or not.
- Q From your experience, though, it seemed to work out that the Hospital Districts that are or have surpluses, they are

quite willing to fulfil their obligations, and those poorer districts of necessity must curtail that portion of referrals. It is purely a case of whether they can afford it or not within their scheme?

- Well, it is a very difficult question to answer, Mr. Hayes.

 When we talk of being able to afford a thing like that, a serious physical situation, it is pretty hard for me to know just where you can or where you should draw that line.
- Now, let us assume that we had something along the line that you spoke of?
- A Yes.
- Q Would the tendency not be for to centralize our hospitals, bigger and better hospitals within the large centres, and the tendency to be to close the little hospitals out in the rural areas?
- A Well, that is a very broad question, Mr. Hayes.
- Q Yes?
- We have to have both. There are a number of things that happen to people that do not require hospitalization, and I think it can be taken as a fact that if there is a local hospital you are more likely to retain the services of a doctor.
- Q Yes?
- A And I think we certainly need both. We need the small hospitals and we most certainly need the large medical centres, because there are extreme differences, as you

well know, in the things that can happen to us.

- Q Yes?
- A Now, there may be in some instances an over-expansion of hospital plant.
- Q Yes.
- A There has been a big change happening in this province in the last 35 years.
- Q Yes?
- A And transportation and good roads are certainly one of them. It is much easier to get to a larger centre than it was when we came here 45 years ago, but, however, we still need the smaller hospitals.
- But we seem to have a measure of control of those outlying hospitals, as we call them, under the present set-up, and my thoughts are along the line that if it were open, in other words, if it was optional that people could go into any hospital that they wished, those hospitals would find themselves with not sufficient patients to keep up a reasonable standard, and they would just kind of wither and die. And, as you say, about the only place that there are local doctors now is where there are rural hospitals, so that if the hospitalization suffered at all, the services through the hospital, the tendency would be that you wouldn't get anything but only a very mediocre service in the small district?
- A You have hit on a very vital point in our over-all hospital

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- Q Yes?
- As I mentioned, there is a variation in the hospital operations.
- Q Yes?
- A Occupancy is one that I cited. In that very respect there is probably just as wide or wider differences in the costs in the smaller hospitals than there is in the larger hospitals, and occupancy is one of the significant factors.
- You think this could be controlled though, if, as has been suggested, that the Province take on more or less the responsibility of providing hospitalization? Do you think it could be controlled to as great an extent under your proposal as it is now?
- Well, all I can tell you, Commissioner Hayes, is that in this question that I sent to my Saskatchewan friends, one of the questions I asked them was if they were trustees or if they knew trustees, and it was pleasing to me how some of them went out of their way to contact people, and I have had a very interesting correspondence.
- Q Yes?
- A And with regard to the small hospitals, the people are satisfied and they pay, and even up at Hudson's Bay Junction, I had a friend there, and I had a very long letter from him, and he was a trustee and had been a

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trustee for their hospital there.

- Q Yes?
- A And, apparently, there are little dificulties, but the major comment is that the Saskatchewan Hospital Services

 Plan is a good one.
- Q Yes?
- And this is interesting, as well. One of the men was an extreme critic of the present Government there, and among a lot of other things that he said, which I won't tell you, but he did say that the Saskatchewan Hospital Services Plan was one that they would all support. Now, that is all I know. It must be possible, somehow or other, to work it out.
- Then there is another question. In regard to the Saskatchewan scheme as it affects it would appear that they have a lot of municipal medical doctors, and because they are hired by the municipalities naturally they are going to give a service there, and they won't move to any great extent. That would create a tendency for to support a rural service that we do not have in Alberta. Would that have any effect on the hospitalization?
- A No, it should not. I don't think it should. If a municipality would enter into negotiations for medical services, that is something that is apart from hospitalization, and I will say that it is certainly tied in with it.

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- Q Well, then, that would assure a doctor within that municipal area, and as long as the doctor is there, he would want a hospital within a reasonable distance from him?
- A Yes.
- From your experience would you say that there is a tendency along the line that hospitals can be working toward toll gates for the medical profession? In other words, you can't get into a hospital only under some doctor, and you can't get out, and while you are there you must pay?
- Well, I don't know just exactly what you are referring to.

 To my knowledge you cannot get into any hospital without
 being admitted by a doctor. You can't just walk up to
 a hospital door and say "I am sick, let me in", that doesn't
 just work that way.
- Q Yes?
- A In our hospitals, at least, you have to be admitted by a member of the medical staff of the hospital, and there are rather strict rules and regulations.
- Q COMMISSIONER ROBISON: That is because of the liability involved, isn't that so?
- A Yes, I would presume so.
- Q Yes.
- A Dr. Bradley will certainly be able to clear you on that point.
- Q COMMISSIONER HAYES: I think we can all assume that you can't get in unless under some doctor, somebody

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has to be responsible for the patient?

- A Yes.
- Q But while he is there he must pay toll to the doctor, is that right?
- A Well, if he is a sick man and the doctor is an honest man, I guess the doctor is entitled to his consideration.
- Q Of course, we are not assuming that they are dishonest or anything like that?
- A Yes.
- The point is that every day that the patient stays in there he pays toll to a doctor. In other words, he pays for services, even if it is only reading the chart on the part of the doctor, but he does pay for services. What I am getting at is this, there is a tendency along the line, for instance, that if it is a surgical operation, he is kept in there for a good long time, and that is all included in the fee, but if it is a flu condition or something else, and the doctor attends on him, he still pays so much a day. There is no great tendency to discharge him while he is still paying, that is my thought.
- A Well, I think I can answer your query in this way, Mr.

 Hayes: The average stay, the duration of the average
 illness or hospital stay in hospitals is going down, down
 and down.
- Q Yes?
- A Now, that must reflect better medical care, probably better

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hospital care, and if you wish any further comment on this, Dr. Bradley will outline this at some length, if necessary.

- Q Yes?
- A The change in hospitalization, take the case of the old pneumonia case or the hernia case, and I might say that I was in the hospital for 14 days with a hernia in 1919.

 Today we almost walk them down the floor out of the operating room. I was on my back and I was afraid to move because I thought that everything would disappear. There is a change today through better medical knowledge and better procedures and so on.
- o Yes?
- A The only way I can answer you is that looking at the whole over-all picture the average length of stay in the hospital is going down.
- Q Yes?
- A So that somebody must be doing a pretty fair job.
- Q It is rather surprising, as in the Blue Cross set-up it seemed to be going up. However, I wonder if we could just drop that for a minute?
- A Yes.
- Q What relationship have these various schemes, for instance, the insurance schemes, having regard to hospital-ization, to what extent do they affect the hospitals?

 In other words, they pay the same rates, don't they?

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- A Well, as far as the rates are concerned, Mr. Hayes, all hospitals operate under the approved schedule which is recognized by the Department of Health.
- Q Yes?
- In the A group there is one rate, the B Group another, the C Group another, and the D Group another, and we all charge the approved rate.
- Yes, but if you had, for instance, a Blue Cross Contract and you went into a D Hospital, they would take care of you, and if you went into an A Hospital they would take care of you; there would be no difference, just wherever you happened to go into the hospital.
- A Well, the patient would be charged, or the Blue Cross would be charged the rates that applied to the particular group.
- Well, now, in the over-all scheme that you visualize, that the Province might take, it is quite obvious that there would be some years that the cost would be considerably higher than others, and you would expect the Province to, more or less, finance the scheme?
- A That is correct.
- I wonder, this is a little bit outside of the hospitals, but I wonder if in requesting the Government to take over certain welfare services that we eventually would get to a point where the State would be taking care of practically all our needs, and we would then have the Welfare State?

 The tendency seems to be along the line where we are forever

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the Welfare Services. And I wonder if at some time we might approach that state where the Government will say "We will take over everything and we will have the Welfare State"?

A Well, I don't know whether that has any particular bearing, Mr. Hayes, in this particular discussion or recommendation. We are in what you might say a status quo. We started this Provincial care, Provincial sharing plan, many years ago, and we have come to 1955, and we find ourselves facing certain circumstances, and I have submitted what, in my opinion, is a good way out. Now, how far you would want to go beyond that, I am not recommending anything.

asking Governments more and more to take over, particularly

- Q I know. I understand that. You have done what I might term an excellent job here. Your submission, coupled with other people's submissions, add up to the same thing.
- A I know what you are referring to. You live at Hardisty.
- Q I think that is all.

THE CHAIRMAN:

Mr. Davies?

COMMISSIONER DAVIES:

I would suggest that

Commissioner Robison go on next, as he lives in Calgary, and

I would waive to him.

COMMISSIONER ROBISON:

Commissioner Robison has

very few questions.

EXAMINATION BY COMMISSIONER ROBISON:

Q I have very few questions, Dr. Wright, because most of

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the questions I have down here you have answered. And I have listened carefully to all of your explanations. I had come to the conclusion, Dr. Wright, before reading your brief, and listened to the discussion, that this whole situation was very, very complicated. This hospital situation is extremely complicated. On the notes I had written down I had put down as unduly complicated, and I was interested in reading your brief, and I notice that you apparently agree with that that it is very complicated, and possibly needlessly complicated?

- A I could have used much stronger language, Mr. Robison, and it could have been quite true.
- Yes, because there are great variations throughout these two urban areas, and that is where we are concerned, and there are great variations. Would you say then that this major recommendation of yours would go a long way to cure these overlapping and these needless complications?
- A I am quite sure of it, Mr. Robison, if it is carefully and thoroughly and fairly worked out, it certainly can overcome these complications.
- Now, then, to carry that a step further, do you not agree that there is a great deal of confusion in the minds of the people of Calgary about this hospitalization set-up?

 Not the hospitals, Dr. Wright, but the hospitalization?
- A Well, as Dr. McNally mentioned, it is a rather new field, and it was new to me, and I well, I have some recollection

. .

but I do not say that I well recall, but I have some recollection of the arguments that were going on in the City as to whether or not the hospital should be built down by the Greyhound bus, or whether over on 12th Avenue, or whether it should stay where it is.

- Q Yes?
- A I guess we cast a ballot. However, unless you are close to this thing, the man on the street, he is not familiar with it, or its implications, I do not thimk you could get one man in a hundred on the street, and ask him to propound the items he would get under the Provincial sharing or Provincial care plan, that he would know. Maybe it is not necessary.
- Q Well, the implementation of your major recommendation might have the result of avoiding some of this apparent misunderstanding or confusion?
- A Yes.
- Q It simplifies it extremely?
- A The man on the street is interested in dollars.
- Q That is right.
- A And I presume that practically every brief that you have had presented to you had som reference to the burden of taxation.
- Q Yes.
- A Now, I am quite sure that if something like this were effected, the man on the street would pretty well understand it, And it certainly would relieve and remove the

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present difficulties. I see our own Office Manager is here, Gordon Mackenzie, and I am quite sure that he would like just to tell you of some of the difficulties.

- Q Yes.
- A Before the Cabinet the other day Mr. Pryce reviewed one case, where they had to take it down into the Minister's office to get the thing unscrambled, and even in the end they did not know just exactly what was what. Now, from a Public Relations point of view that is not sound.
- Now, I am dealing only with the urban areas, which, mainly, are included in our terms of reference. What do you say, if you have any knowledge of it, that the enlarged boundaries of the proposed, that are proposed by the City of Calgary, would that add at the present time any particular financial problems to those that already exist? Do you understand what I am driving at, Docotr?
- A Well, one of the reasons for going into this as fully, .

 Mr. Robison, was just for that very fact, that in order to make any sound recommendation, you had to consider the whole hospital field.
- Q Yes?
- A And I hope you do not think that I have gone too far afield.

 But, from the existence of the circumstances, or, I mean,

 to meet the circumstances that will develop or prevail in

 this proposed annexation, I feel that the recommendations

 made here should make it much easier to bring about a

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satisfactory annexation.

- Then, finally, if the Government picks up this 9 million dollar tab, that I think the Chairman called it, and these are prosperous times, was there any thought in your mind that the Government can finance those others through the Consolidated Revenue Fund, or was there any thought that there would be special revenues created by taxation?
- A Strictly from the general revenue of the Province. My own opinion, Mr. Robison, I do not think there is any necessity, I would go so far, or this far, that it seems to me that the Province should welcome some way of spreading some of the accruing wealth to Alberta in an equitable and fair way which will apply to each and every one of us. And that is why I feel so keenly about this.
- Q Yes.
- A Right in this room, there are probably 40 people, and probably one in every seven or 8 of those people will require hospital services within the coming year. We do not know when it will be. But I think it would be well received, as I say, if we knew that hospital services would be available to us at the time when we needed the services. However, I still believe that a deterrent is a good thing. That was one of the comments that I got from some of the Saskatchewan people. There is no deterrent there, and they thought that that might be useful.
 - Q I am personally very grateful to you, Dr. Wright, for your

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brief, and for your answers on examination, and I am sure that it will all prove helpful to the Commission.

A Thank you very much, Mr. Robison.

THE CHAIRMAN: Mr.Blackstock?

EXAMINATION BY MR. BLACKSTOCK:

- Q Dr. Wright, what comes under the category of extra services?

 Does that mean X-rays and so on?
- A Extra services covers all of those things outside of the nursing service.
- Q Yes?
- A X-ray, lab, lab services, drugs, dressings -
- Q Anaesthesia?
- A Things of that kind.
- Q And anaesthetic.
- A No, the use of the operating room is included.
- Q The use of the operating room is included?
- A The use of the operating room is included, generally speaking, I believe.
- Q Yes.
- And I will say, subject to my colleagues, I think the anaesthetic, that is a hard word to say, that is something like the doctor, you have to pay that, but we supply the materials used. All the materials that are used. And the recovery room is another one, and there is a long list of intravenous solutions and so on. They are all

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- covered under the extra services.
- Q The \$8.25 covers only the ward service?
- A The nursing service in public ward rooms.
- Q And that is a rate structure that has been fixed by the Provincial Government?
- A That has been approved.
- Q That has been approved?
- A That is right.
- Q Did I understand you to say that you had no extra services in Calgary, extra service program?
- A That is correct.
- Q So that in the case of Calgary a man going into the ordinary ward would pay his \$1.00 a day, but if he had these other things he would pay for those in addition?
- A That is correct.
- Q Is that right?
- A That is correct.
- Q That is not the case in Edmonton?
- A In Edmonton he receives the extra service for an additional \$1.00 a day. He pays \$2.00 a day for complete hospital service.
- Q That means that the rate schedules on those extras must be \$4.00?
- A The fixed rate schedule is \$4.00.
- Q And are there rate schedules, I know there is for maternity, but is it different from the \$8.25?

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- A The Provincial Government, in its supposedly free maternity service, they pay the hospital on the basis of the approved rate.
- Q Yes?
- A That is \$8.25.
- Q Yes?
- A That is for a stated number of days. I believe it is 12 days.
- Q Yes?
- A They will pay up to 12 days for the standard ward care plus a fixed amount of \$18.00 for the use of the case room and certain drugs that are supplied.
- Now, is the rate schedule for those expenses different from those that we have been talking about for Old Age Pensioners?
- There is a different rate schedule for Old Age Pensioners under the Provincial Care Plans, and they pay the standard ward rate for nursing service up to a period of, I believe, 90 days, subject to review.
- Q Yes?
- A A periodic review.
- Q Yes?
- A Then in addition to that they will pay for extra services on the basis, for \$10.00 a day, or for ten days at \$2.50 a day.
- Q Yes?

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- A Now, in that connection, Mr. Blackstock, you can follow it through a little bit in the brief on the second or third last page.
- Q Yes?
- A It is on page 13 of the brief, of the appendix, and the Associated Hospitals set out the loss occasioned from this Old Age Pensioner group.
- Q Dr. Wright, I suppose there is still another schedule, and I do not want the details of it, for Mothers' Allowance cases?
- A Old Age Pensioners, Mothers' Allowance, Blind Pensioners and so on, they all come under what we call the Old Age Pension Group. The basis is very similar.
- Now, you told Mr. Bredin, and it is quite clear, that those schedules bear no true relationship to actual costs?
- A That is correct.
- Q How often should those schedules be reviewed?
- A Well, I believe they should be reviewed entirely, Mr.
 Blackstock, because there are justifiable changes occur. . .
- Q Such as wages?
- A . . . in hospital costs, wages and so on, and they should be reflected.
- Q Yes?
- A At the present time, well, in my experience, it has been a bit difficult, and I think that difficulty should be removed.

 I think it should be examined regularly.
- Q The result is that the patient pays \$1.00, the Province gets

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credit for paying one-half of the balance, but actually does not, and the municipality pays its 50% plus the amount that the Province does not pay?

- A Yes. But I must add there that you should also add in that the number or the fact that one-third of the hospital days in this Province are provided by the voluntary hospitals.
- Q Yes?
- A One-third of the total days, and they haven't anyone to look to when that loss occurs.
- Q One last question, Dr. Wright?
- A Yes, sir.
- Q Do you know what the qualification is in Saskatchewan in regard to hospitalization with regard to a patient?
- A I think there are certain residence requirements. You have to be in the Province a certain time. Probably Mr. Dyck could give you the details of that.

MR. DYCK: One year.

Q COMMISSIONER BLACKSTOCK: One year?

MR. DYCK: Yes.

Q COMMISSIONER BLACKSTOCK: Thanks very much, Dr. Wright.

THE CHAIRMAN: Mr. Davies?

EXAMINATION BY COMMISSIONER DAVIES:

- Q Has your hospital any pension plan for its employees, Dr. Wright?
- A We are under the city pension.

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- Q And the same would apply, presumably, to the other Class A Hospitals in Edmonton, that is, the Royal Alexandra would have a pension plan?
- A I wouldn't just be in a definite Position to answer that Mr. Davies. They may have. I would hope they would have.
- What happens in Saskatchewan when they attempt to collect this money from each of the individuals? Does everybody get a notice, or is there a notice that everybody has to pay it and then if you don't pay it can you be put in jail or sued or what?
- A It is compulsory.
- Q It is compulsory?
- A It is compulsory. I believe they have a great many avenues for collection, collection through many sources.
- Q They have strong powers of collection, in any event?
- A Yes.
- Now, Doctor, I do want to hear from the man who is going to tell us about administration costs, particularly about bookkeeping and accounting costs arising out of all these different statements that have to be exchanged with the senior authority in order to get a share back, and I would like to hear about that, the difficulties and so on, but before I talk to him I have a couple more questions to ask you.
- A Yes sir.
- Q At the top of page 28 of your brief, Dr. Wright, there is

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this paragraph:

- In this connection I believe that a deterrent factor of possibly \$2.00 per day should be the responsibility of patients, when hospitalized in the A hospital group, to guard against possible overuse of this service. This would have to be graded somewhat in the other groups."
- A Yes sir.
- Now, that suggestion is predicated on the assumption that the Province could be sold on the idea of taking over all of those plans that it has not taken over at the present time?
- A Yes.
- Q Right?
- A Yes.
- Q Don't you think it might be a pretty difficult thing to sell?
- A Pardon?
- Q Don't you think it might be a pretty difficult thing to sell, that is, for a Government to go out and sell to the people today after having been steeped in the \$1.00 a day philosophy for hospital care, and then learn that they would be paying \$2.00 a day?
- A Well, Mr. Davies, in my thinking, take the case of Edmonton, for instance, they are now paying \$2.00 per day.
- Q Yes?
- A And if you go out to the Municipality of Clover Bar, I do not know what the exact scale is, but, you see, there is a

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scale, it is scaled down, and probably some of the other boys can tell you exactly, but it is scaled or graded, the extra services scale is in effect today, and it would be on the same basis, and there would be no charge in that respect

- Well, I was just thinking if I were a member of the Government, and after you have had the \$1.00 a day hospital plan for some time, so-called anyway, that it would be rather difficult to switch that to a \$2.00 a day plan, however much it grades down, but you do not think that would be much of an obstacle?
- A I don't think so.
- Q I see.
- A I think you probably I didn't mention anything about this, that Calgary has not adopted the extra services plan, and I think it arises, apparently, that if Calgary were to adopt it that there would be an additional burden placed on the ratepayers.
- Q Yes.
- A I am serry I overlooked that, but I am sure that is the basic reason that the extra services plan has not been adopted.
- Q Of course, it would follow from this proposal, which you say is your own?
- A Yes.
- Q It would follow, if that were done, that there would not then be any occasion to have the hospital tax at present being levied upon land, would there be?
- A That is correct.

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- Q Unless a municipality put that rate up, and then just went and used it for roads, or something else; that would be a possibility, if they would not reduce the mill rate, wouldn't it?
- A Well, I don't know. That would depend on civic administration.

 They could do it either way.
- Q Yes?
- A But it would probably remove necessity of increasing the mill rate.
- You see, there seems to be one source of friction between the Government and the municipalities, that when the Government has been meeting out help that they have stipulated that the mill rate must come down. On the other hand, the municipalities have taken the view that they did not wish to be obligated to reduce the rate, I think possibly the theory of that with regard to all those things that they can charge all that the traffic will bear, and once the traffic has got used to the mill rate, they do not want to reduce it. You have heard about that, haven't you, Dr. Wright?
 - A Yes.
- Q I think that is all I want, other than a short discussion on all the extra costs that hospitals are put to in the accounting end and the bookkeeping end of it because of all of these different matters.
- A Mr. Pryce will do that.

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THE CHAIRMAN:

Mr. Pryce has been already

sworn.

DR. MAYO:

I have one or two questions.

THE CHAIRMAN:

Before you go, Dr. Wright,

Dr. Mayo has a question or two.

EXAMINATION BY DR. MAYO:

Q I would like to ask you a few short questions, Dr. Wright?

- A Yes.
- Q In the interest of getting recommendations clear?
- A Yes.
- Q This is, obviously, a major recommendation that we have heard, and I think that we should get it clear?
- A Yes.
- Q I take it that this is for hospitalization services only and not for medical, is that right?
- A That is right.
- Now, the estimate of the cost that you made of \$9,000,000.00?
- A Yes.
- Q That figure is, I take it, the additional cost which the Province would have to bear if it took over all the hospitalization services which are now paid by the municipalities?
- A That is correct.
- Q Yes.
- A Well, now, that figure is, maybe, subject to modification,

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- but it is the difference between what they are now paying and what the municipalities are paying.
- Q Well, is it a firm figure, a reasonably reliable estimate?
- A It is a reasonably reliable estimate based upon last year's municipal costs, I think.
- Q It is a reasonably reliable estimate based upon last year's municipal costs?
- A Well, I shouldn't just say that. I would just like to have a little time to go into that carefully with Mr. Pryce and Mr. Dyck.
- Now, the next question, Dr. Wright, is if the Province took over responsibility for all hospitalization services, then I take it that it would be administered, perhaps, by some Provincial Board. Now, you have pointed out that is so in British Columbia and in Saskatchewan, I think. Now, I would like to have your idea what you think the effect might be on local hospital administration. Does that take the hospitals away entirely from the purview of the local authorities?
- Well, I recited in my comments on the Hardy report something relative. Mr. Hardy makes reference to the, shall we say, the value of the local Board in controlling costs. I can't find that reference.
- Q Yes?
- On page 17, Dr. Mayo, I refer to the question that you have mentioned. In the two sister Provinces, they have hospital

Commissions, as they are called.

- Q Provincial Commissions?
- A Yes, Provincial.
- Q Yes?
- A The British Columbia Hospital Insurance Services, I believe is the name there, and the Saskatchewan Hospital Planning Commission is the other.
- O Yes.
- A Now, in all probability something of that nature will be necessary in connection with this recommendation of mine.

 I recite here in this comment on Mr. Hardy's report the relationship between the Hospital Board and the senior officials in the hospital, and I think if I read the paragraph here it might be of interest. This is my comment:

"In these two paragraphs, Mr.Hardy raises a very important question relative to local Boards and their effectiveness in controlling costs. As a result of my experience as Chairman of the Calgary Hospitals Board, I cannot support this contention. There are factors in hospital operation and direction that are not a normal part of any other business and that is the care treatment of sick people, with possibly life or death in the balance.

Our Board, and I believe we have good members, relies almost wholly on the judgment and recommendation of our senior officials. Board members endeavour to

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satisfy themselves that the recommendations are based on fact, and are as sound as they can determine, but in the final analysis the recommendation of professional and well-trained people is accepted.

We endeavour to provide good service to our citizens and help them to get well as quickly as possible so that they may again follow their usual vocation, with as little interruption as possible.

Arbitrary action on the part of Board Members, is the only other method and, personally, I do not support that philosophy."

- Q That is all right as far as it goes, Dr. Wright, but it is not quite what I was trying to get at.
- A Yes.
- My point here is that if the Province pays the entire cost of hospital services, what justification is there for any local Hospital Board whatsoever, and, indeed, what right would they have to interfere with hospital services, if they are not, through a local tax, in some form, made a part of the cost, or if they are not through a local tax in some form meeting a part of the cost other than the capital cost?

 The municipality would, in that sense, only be acting as a fund raising body to build the hospitals and put it under the operating officers.
- A Well, Dr. Mayo, I can only answer you in this way, that apparently it is a part of the program in the other

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Provinces. There is a Hospital Board in connection with each hospital, and there must be some definite functions. The question of capital comes into the picture, the matter of Public Relations, and so on.

- Q Yes?
- A But I can only answer you by saying that hospital boards are still a part of the other plans.
- Thank you, I won't press that, Dr. Wright. Now, had you given any thought to the possible repercussions of this recommendation upon schemes such as the Blue Cross? They would, presumably, then be abolished, would they not, in full?
- A There is no Blue Cross in Saskatchewan.
- Q Yes?
- A I don't think there is any Blue Cross in B. C.
- Q No.
- A Blue Cross is a family it is a provision so that a head of a family or a single person can get hospitalization.

 COMMISSIONER DAVIES: Could I interrupt just here?

 DR. MAYO: Yes.
- Q COMMISSIONER DAVIES: Wouldn't there still be provision for other types of insurance, the Blue Cross or some other form of insurance, above what the public ward charge would be?
- A That is right.
- Q Aren't you dealing with the picture with regard to the public

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ward in terms of the Province taking over, and on the basis of medical charges.

- Q DR. MAYO: The Blue Cross could come into that field?
- A Because the Blue Cross would have to adjust its plans and its costs in the A, B and C, that is right.
- Q COMMISSIONER DAVIES: To cover the situation that has arisen in the last two or three years in Alberta?
- A That is correct.
- Q DR. MAYO: Dr. Wright, there is one other point that I wanted to ask you about. You know that from time to time proposals were put forward for complete hospitalization and a medical scheme for the whole country.
- A Yes.
- Now, if you were a good Liberal I assume that you might have a good deal of faith that this was coming, but that it was first proposed in 1945, as you know?
- A Yes.
- Q Well, might not the institution of hospitalization schemes in the Province stand in the way of such a nationwide hospitalization scheme? Have you any ideas on that?
- A I don't think I would care to comment on that.
- Q Very good. The next point is a small one. You mentioned \$2.00 a day as some kind of a deterrent to prevent people using the hospital facilities. I didn't quite follow that.

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If you cannot get into a hospital without a doctor's recommendation, how does it deter you from using the hospital facilities?

- A Well, I suppose I can answer that by saying that there are human beings and human beings.
- Q COMMISSIONER ROBISON: Sometimes they can go through a doctor, can't they?
- A I have heard it said that certain children have been kept in a hospital over certain periods, because somebody wanted to go away on a trip, or something or other, and it doesn't cost anything to keep them there.
- Q DR. MAYO: Well, now, you have made this large scale recommendation, Dr. Wright. Now, would it be possible to indicate a kind of second choice, a kind of second preference. Are there some recommendations in the brief that are more important than others, assuming this major one is not taken up or adopted?
- Well, as I pointed out, the Associated Hospitals in their recommendation, haverecited on page 5 the basic principles, and if they are fairly related to hospital costs it will certainly relieve the municipalities of a certain measure of the present losses.
- Q Plus possibly an annual or frequent review of rates?
- A That is right.
- Q Thank you.
- A There are seven major recommendations, Dr. Mayo, if you

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notice.

- Q Yes.
- Q COMMISSIONER ROBISON: And there is an alternative recommendation that there be a Commission set up representative of the Provincial Government or urban municipalities, rural municipalities and the Associated Hospitals of Alberta?
- A That is one of the recommendations on the last page of the brief before you, that a study be made of no yes, and the recommendation is as follows:
 - That a study be made of all Alberta Government
 hospitalization plans with a view to simplification.
 This would not only eliminate complications in processing at all levels but would result in a better understanding and a greater appreciation by the residents of the Province of the Government's contribution to costs of hospitalization.

That these studies be made by a Commission representative of the Provincial Government, urban municipalities, rural municipalities and the Associated Hospitals of Alberta.

So that that recommendation

is before the Government now.

Q THE CHAIRMAN: Thank you, Dr. Wright. Now, dr. Wright, I understand Mr. Davies wants to get some information from Mr. Pryce.

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- Q COMMISSIONER HAYES: There was just one question

 I would like to ask. In your estimation of the \$1,000,000.00

 or \$9,000,000.00, did that include extras?
- A Yes, this would be an all-inclusive service.
- Q That is fine.
- An all-inclusive hospitalization service.

 THE CHAIRMAN: Mr. Pryce, will you come forward, please.

MR. PRYCE: Yes sir.

SYDNEY VICTOR PRYCE, recalled,

already sworn, examined by Commissioner Davies, testified as follows:

- Mr. Pryce I think I pretty well know about your costs and what the answer to this question is because, as a solicitor, I have had occasion to deal many times with hospitals to find out where my clients stood in their accounts, but I wonder if you would make a statement to the Commission and give the Commission on record a pretty good idea as to all of the extra costs and research involved in making your accounting between your hospital and the Provincial Government in order to claim some of the benefits that you claim under existing legislation?
- I think an extra, from the heading, refers to the four major plans, and I presume we might start out with the so-called \$1.00 a day plan.

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Q Yes?

And I would like to say here that the \$1.00 a day plan is referred to only in the ward services. I mean, the second stage of that plan is the extra services plan, and the extra services plan was mentioned with regard to the \$1.00 a day basis, starting with the Grade A Hospitals, and that comes then out to a \$4.00 flat rate for extra services, but when you get to the mext class of hospitals, the B rate was \$3.20, and the sharing amount was the same, 25%, or 80¢ in that case, and the balance of that was split between the municipalities and the Government. Now, I can get confused pretty easily in this thing. The Government, first of all, in trying to value - Dr. Wright read the list, or, at least, one of the recommendations in our brief, the Associated Hospitals Brief to the Cabinet.

Q Yes.

We suggested actually three things, and first of all we suggested that the Government establish a new rate, and that it be in line, in the form of an all-inclusive rate, and that only one rate be recognized to cover extra services and ward, and that that be one rate, and that rate be applied and be uniform to all classes of patients, and that we eliminate what could be considered to be cut rate deals for patients, cut rate deals for pensioners and for maternity cases. It is quite obvious that unless you have established a uniform rate, it is going to be difficult, as

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it has to be processed over all of your days. If you take a certain section of patient and give them something else, or if you take a certain section of patient and give them some service, you have got to recover that by charging some other patient more. Now, that is already done in hospitals through the use of semi-private and private accommodations. People entering the hospitals can obtain semi or private accommodation, not necessarily at cost, but there is little mark up. We felt in our brief, and we say there, that there is no sense or no reason for patients under Government care, completely under Government care, that they should be hospitalized and that the costs of their hospitalization should be subsizided at the expense of the general public, as has been done.

Now, about this question of remuneration. First of all, we have the question of a per diem grant.

There is a 70¢ per diem grant which is paid on the basis of all the residents of the Province, and that covers all the resident days with regard to people who have qualified by 12 months residence, 12 months residence in the Province. So that, first of all, we have a form for them, where we have to charge 70¢ a day for all residents. We have a form to report on for that. We have another form where we have to report the number of pensioners, and because pensioners come under

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20 days and over 20 days, because the extra services part of the pensioners' agreement is \$2.50 up to the first 20 days only, so that then we have to bill for the first 20 days, and then we have to bill for everything over 20 days, and I think you will see from one of the tables on one of the pages in the brief that in the A Hospitals it was the experience that one-third of the days, of the pensioner days in Grade A hospitals was in the over 20 days period. In other words, the hospital recovered nothing in the amount of revenue for extra services, and yet, by the very nature of hospital operation today, if those people are not getting service, they should not be in the hospital, they should be at home, because we need the active treatment beds, so that it is very obvious that the people are staying in there, and because of this limit of 20 days it reduces the earnings, and instead of getting \$2.50 a day, when we spread it over the actual days you will find that we are earning, the hospitals are earning about \$1.70 a day. Now, we thought that these things should be brought up to a level.

Now, we come to maternity charges, another major plan in the Province, and they say very boldly, they are very bold in all their literature, and they say that they pay the full cost of maternity, including quite a few things connected with it, that is, standard ward, provided that semi accommodation is paid by the patient. That is paid on a flat rate. The pay \$8.25

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a day. That is the actual rate established for the care of an average patient. They pay in addition to that \$18.00 for a maternity case.

Q Yes.

Now, hospitals, for their own sake, have divided that \$18.00 Α between the case room charge of \$15.00 and \$3.00 for routine laboratory attendance. The difficulty there is that you are caring for both mother and baby. In both of our sister Provinces, British Columbia and Saskatchewan, there is some relief in respect to costs of maternity patients by the introduction of an individual rate for new born from the time of birth. This practice has become standard in the United States. A recent survey for the American Hospital Association showed 87% of the hospitals reporting in the United States, it showed that they were charging an extra rate for the newborn. I mean, you actually have two patients. In the large hospitals you have a nursery, and that requires extra staff. You have to have extra staff to look after the baby or babies. I am not suggesting that the baby costs as much as the mother, but it costs perhaps one-third of what the mother costs. And that is recognized by the individual rate which is charged in other places.

For instance, the University
Hospital has a very low ratio of maternity days. They are
low-cost days, but they have a low ratio in relation to the

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an extern cate for the newborn. I mean, you actually have two cationts. In the large haspitals you have have nursery, and that requires extra shalf. You have bave artirs shalf to look after the baby or shies.

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other total days. On the other hand, the Royal Alexandra has a higher ratio of maternity days, and, therefore, it is one of the great factors in their costs. So that we want the maternity rate brought up to the level, and that there be an individual rate for newborn, and that would bring the maternity up in your average rate. The establishment of a newborn rate would be one method of compensating hospitals with a higher ratio of maternity days and, consequently, higher costs.

In addition to these things that I have mentioned, you have the other little plans that have slipped in. You have all these others, the last is polio, and then there is cancer, and then there is the arthritis plan. The last mentioned is very limited in days, I mean the number of days, not great at all, because it is in a very restricted age group that come in under this program. However, the cancer program is one that is very, very badly misunderstood by the public as a whole and certainly by the medical profession. If you read all of the fine print, you will see it is for diagnostic care only, and that if you will report to the Clinic, the Clinic will authorize certain procedure. The Clinic can authorize five to seven days, for hospitals five to seven days, and in my experience I have never seen an authorization for more than two days, and usually limited to one day. But, in addition to that, the Clinic will also authorize certain

special procedures, such as the use of the operating room,
X-ray facilities, or lab facilities, along with whatever is
prescribed.

Now, you will often have a case of a person admitted and given one or two days of hospitalization, and yet the operation is not performed until the 5th or 6th day. He is admitted for one or two days of hospitalization, and the operation is not performed until the 5th or 6th day. How do you possibly explain to that man which days the Government is paying for, paying for the first day, or the day that the operation was performed, what was the day in between those two times? The fact is that the hospital is making a contribution to this service and is spending a lot of money, and that is not appreciated by the public, and it leads to a lot of complications. Those are the major Government plans now, and I think that you will have some idea of the pro bems confronting the hospitals.

Now, then, just look at some of the complications with regard to this, and I will take a maternity case -

- Q THE CHAIRMAN: May I interrupt you for a moment, Mr. Pryce?
- A Yes sir.

 THE CHAIRMAN: I would like to say to the representatives of the Property Owners Association that they will bear in mind that their submission or

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The complete the less that less the contribution was a still block who was the contribution was a still the contribution was a solution who is the contribution to this service that is specifically a solution to this service that is specifically a still the contribution to this service that is specifically and the said that the complications. These was the still the complications to the problems and I think the post years they have some idea of the problems and I think the bospitals.

representation will come first thing in the morning, at 9:45.

THE SECRETARY: We are committed to the Gas Company at 9:45, Mr. Chairman.

THE CHAIRMAN: At 9:45 to the Gas Company?

THE SECRETARY: I do not think it will take

very long.

THE CHAIRMAN: Well, I will say 9:45 for the

Property Owners Association, and then we will go on to the Gas Company after that.

Q All right, Mr. Pryce.

Now, the Province of Alberta I think was the first Province Α to introduce these full maternity benefits, and they have been a wonderful thing, but you must have been a resident of 12 out of the last 24 months in order to be able to receive the benefits of the maternity plan. On the other hand, you can get to Calgary as late as yesterday, say, and purchase a piece of property, and you can have your wife go in as a maternity case, and be covered under the \$1.00 a day plan simply because you have qualified by becoming a taxpayer and are entitled to the benefits. Now, it does not seem that that should be necessary. I mean, in other words, some of these things could be amalgamated, if not into one plan, certainly into two. I do not know if I am taking too much time. Perhaps I could tell you with regard to some complications that arose with regard to a

cancer case. And this is a case that actually originated with the Minister. We were called down, I happened to be in Edmonton, and they called me to see if I would go down and try and straighten this thing out. Just to show you how complicated a thing can become, I will tell you about it.

This happened to be a rather vocal citizen of Edmonton who had been hospitalized and came in under the Cancer Plan, and this is the case that I was called in to help straighten out, and he was hospitalized and he left the Royal Alexandra Hospital with a bill of \$106.00 made out to him individually. Now, the bill was perfectly in order. The \$106.00 was made out, first of all, there was a differential between ward and private accommodation, which was his responsibility. Secondly, there were some special nurses, and there was board for the special nurses, which was, again, an exclusion under any of the contracts, and the use of certain drugs, and there were some other items that were involved in the account. So that we checked the \$106.00 account, and they were all legitimate charges to a patient. The total hospitalization amounted to 23 days. And I was particularly responsible for this, because some time ago in an arrangement with the Minister it was stated that we would like to use cancer credits where a person had a dollar a day contract, or that we wouldn't use cancer credits where a person had a dollar

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vocal sitison of Edmont news had been beauthalared and come in aunder the Gancer Plan, no this is the most that I was called in to belp strutchten out, out he was hospitalize

a day contract because of the confusion. In other words, if you got \$2.00 a day authorized by the Cancer Clinic, and you were already a dollar a day patient, we charged it through at \$1.00 a day rather than charge it in two amounts, and have it credited or corrected in Edmonton.

In this particular case that I am referring to the man went into the hospital for 23 days, and he is on the \$8.00 a day plan, \$8.00 for 23 days, and because Edmonton has the extra services plan, there is also the \$4.00 a day for the extra services, but this chap is pretty smart and he reads the whole thing through and he says "Where is my cancer credits, you told me you have a cancer plan, I want to know where that money is?" And the Minister says "Where is it?" I said, "You haven't given it to him. The only thing you can do is to take the first two days which you have authorized under the Cancer Clinic, that is, two days under the Cancer program and bill the rest under the \$1.00 a day, and at least then you have done your job." However, the thing was not nearly as simple as that this was a very ill patient, and on the first two days which, if they were charged under the Cancer program, he would have got his \$8.25, so that he wouldn't have to pay on the first day, the first two days, that is the first problem, he wouldn't have to pay his rate on the first two days, but there were a great number of procedures performed which were not covered by the Cancer

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authorization, so that by this time the poor fellow still had gone from \$106.00 to \$168.00, so that we hadn't made anybody happy.

- Q COMMISSIONER DAVIES: Do you mean the extra services performed in the first two days?
- Α Yes, the extra services performed in the first two days, but he was not under the extra services plan, he was under the Cancer Plan, and the Cancer Plan did not authorize them, so that it became his responsibility. This was not an ordinary case, this was a classic case, because in the end there was an amount of \$202.00 over and above that amount, so that no one was happy. The man was very unhappy that he got anything from the Government at all on the Cancer Plan, and would have been happy to forget about it. The fact that the operation had been performed on the ninth day, because of that he couldn't understand how they gave him two days, and that is how part of this confusion came up, which had widespread publicity. I spoke to the Director of the Cancer Institute. I will defy anyone to read the plan without a very, a very close scrutiny and find that this man was not home free when he entered the hospital, and anybody reading that, reading the literature, would think once they had cancer and after being at the Clinic would think that their hospitalization was taken care of. It is a very bad Public Relations Program as far as the hospitals are concerned. When a man comes into the hospital and he

has his cards under these groups, he thinks we should honour it, and if we do not he cannot understand why he has it. We think some of those problems can be levelled out or amalgamated if you get a one-rate structure. We have suggested levelling out a lot of these things, and setting a rate, because we do not see any reason for having these different things for all these classes of patients. The present rate of \$8.25, the Group A rate, and it should apply to all persons no matter where they are from. I do not see why that principle cannot be established, and that we would have the one rate instead of having many. That is one of the things that we have brought up in the Associated Hospitals Brief, and that has been presented to the Provincial Cabinet.

I was also interested in the question that was asked about the Blue Cross or other insurance. I was interested in that very much because we are still going to have in this Province protty well the influx that we have had up to today, where we will have a great number of people coming in who cannot qualify with regard to residence, and those people require some form of protection, and whether it is going to be a voluntary plan, such as the Blue Cross, or some other plans that they have that work through the country, the people are going to have to have them. The Minister today tells us we can have two rates, that we can charge under this depreciation

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clause, and if a fellow comes down here from Didsbury, because he is out of the District we can charge him depreciation, because we are collecting it from the municipality, but we haven't got any agreement with the municipality, that we can charge it to the patient. However, in practice it does not work out. It is another administrative headache.

- Q COMMISSIONER ROBISON: Which does confirm pretty well what Dr. Wright mentioned in his brief, that the whole thing is extremely complex?
- Α I might volunteer some information with regard to British Columbia that you asked about earlier. In the first place, in British Columbia, the tax used to be 3% until just recently, but that was not entirely for the hospitals, and I cannot give you the exact figures, but when the tax was raised from the 3% to 5% the additional 2% was entirely for the hospitals. I visited with members of the Government in British Columbia in May, I think it was, and at that time it was estimated that the 5% tax would return \$22,000,000.00 for hospital purposes, and that the requirement was estimated at \$24,000,000.00. In other words, \$2,000,000.00 was to be made up out of general revenue. I believe that since that time there has been some slight drop in the retail sales and the 5% tax return has not been, therefore, up to expectations, and it may be that they will have to put in more money from their General Revenue

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funds.

- Q Could you give us a comparable figure from Saskatchewan?
- A With regard to that point, again I think that the 3% is not strictly a hospital tax.
- Q It is educational?
- A Yes. I cannot break it down for you, but Dr. Wright was quite right in his figure that it makes up about 50% of the total cost of running the hospital in the Province, 50% comes from the sale of agreements or contracts and 50% out of the revenue.
- Q Yes.
- There was one other point, sir, that I might clear up. A Commissioner Hayes asked a question about the elimination of small hospitals. Under the Saskatchewan Plan that has not just been so. There are a few more hospitals operating in the Province of Saskatchewan than in the Province of Alberta, even though they have a free choice of hospitals, and the fact that even under our restricted referral scheme, and I think you will admit it is restricted, we still have 51% of the patients being cared for in the six major hospitals. In the case of maternity patients, where they can go to any other hospital in the Province, more are leaving the local hospitals and are going to the large hospitals. I do not think there is any passing up of the small hospitals, and certainly there is nothing in our thinking that will replace the small hospitals.

K. A.

- Q COMMISSIONER HAYES: Mr. Pryce, what effect do you think these municipal hospitals, the municipal contracts with doctors, what effect do you think those contracts with doctors have, the municipal contracts, in retaining the rural hospitals in Saskatchewan?
- A Well, it is a question of which helps which, isn't it?
- Q Yes, yes, but there is some relationship? In other words, it would have some relationship, wouldn't it?
- A I don't think you are going to maintain the local doctor unless you have hospital facilities, and I do not think you are going to get a hospital unless you have a doctor.
- Q That is quite right. It is quite obvious that you might own a hospital but you can't use it without a doctor?
- A Yes.
- Q We have passed that and without medical men we are unable to use the hospitals that we own.
- A You mentioned earlier on about the medical people having complete control of the medical hospital. Now, it is quite true that a patient must be admitted through a qualified physician, but he also must be discharged, he must be discharged by a doctor, but he can also sign himself off if he wishes, and that happens once in awhile where a patient gets up and if he will give you a release of responsibility, you will permit him to go home.
- Q We have definitely had that happen.
- A Yes. But if the weather is quite cold he is likely to stay.

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THE CHAIRMAN: Mr. Pryce, I would like to thank you very much. I must say that this has been a most illuminating session this afternoon. I congratulate the administrative officers, including the Superintendent, on having a public-spirited citizen such as Dr. Wright to carry the ball in areas where they need some of that quality, and by that I mean a person whose motives and actions are completely beyond the suspicion of personal interest, and I think the City of Calgary is to be congratulated on having a man of Dr. Wright's quality to be here to do this job. And I congratulate the rest of you on having a man of the vision of Dr. Wright to whom you can put these problems with the assurance that they will be understood, and with his ability and willingness to put them before the right people. Thank you very much.

DR. WRIGHT: efforts.

I think I am well paid for my

COMMISSIONER HAYES: I think that it has been a real contribution, Dr. McNally, and I think that it is very much due to his farming background.

THE CHAIRMAN: Is that it? Well, I understood that farming always developed self-reliant people. I am not so sure that I have always found that farmers are public spirited, that they are the public-spirited citizens that sometimes we need, but, of course, it is awhile since I have been on a farm, Mr. Hayes, and my education has been

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neglected in the last few years.

COMMISSIONER ROBISON:

Dr. Wright was an agriculturist,

not a farmer.

THE CHAIRMAN:

He was a seed grower.

Wouldn't you have been classified as a farmer?

DR. WRIGHT:

Well, I think I have had a

very active career in a number of fields, Dr. McNally.

THE CHAIRMAN:

Yes. Well, perhaps we

should not go into that for the record. We will adjourn

until 9:45 tomorrow morning.

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